

Audit Report on Consolidated Annual Accounts
issued by an Independent Auditor

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. AND SUBSIDIARIES
Consolidated Annual Accounts and
Consolidated Directors' Report
for the year ended
December 31, 2021

AUDIT REPORT ON CONSOLIDATED ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

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

To the shareholders of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.:

Audit report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (the parent) and its subsidiaries (the Group), which comprise the consolidated statement of financial position at December 31, 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow, and the notes thereto, for the year then ended.

In our opinion, the accompanying consolidated annual accounts give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at December 31, 2021 and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

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

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

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

Key audit matters

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

Tax, labor, and legal provisions and contingencies

Description At December 31, 2021, the Group is involved in lawsuits of different nature, and it is exposed, in the course of its business, to possible claims, primarily of a tax and labor nature.

The assessment of the contingencies related to these lawsuits and claims and, when applicable, the valuation of possible related provisions, requires complex estimates by Group Management, which entails the application of judgements in determining the assumptions considered in relation to these estimates, which are, in turn, impacted by the specificities of the legislation and regulatory requirements in force in the different countries in which the Group operates.

From a tax perspective, at December 31, 2021, the Group has recognised, on the headings current and non-current provisions of the consolidated statement of financial position, provisions amounting to 89 million euros, primarily related to ongoing claims in Brazil, Spain and Argentina. Additionally, on the heading current tax liabilities of the consolidated statement of financial position, the estimate of uncertainties related to corporate tax contingencies has been recognised, in accordance with the interpretation set forth in IFRIC 23 for an amount of 69 million euros. Finally, the Group discloses contingencies for tax records not provisioned for an amount of 51 million euros.

As regards labour matters, which primarily affect Brazil, due to the size of his workforce, are referred mainly to claims lodged by employees and former employees. At December 31, 2021, the Group has recognised, under non-current provisions in the consolidated statement of financial position, provisions amounting to 40 million euros related to occupational risks.

Additionally, at December 31, 2021, the Group has recognised provisions for legal risks and other contingencies amounting to 33 million euros, corresponding mainly to civil lawsuits and sanctioning files in Brazil, Spain and Chile. Likewise, the Group discloses contingencies for other possible risks not provisioned.

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

Disclosures for the recognition and valuation criteria, as well as the breakdown of these provisions and contingencies, which are recognised in the long and short term, are included in Notes 35.17, 23, 27 and 28 of the accompanying consolidated annual accounts.

**Our
Response**

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

- ▶ Understand the processes established by Group Management to estimate provisions and contingencies and assessment of the design and implementation of relevant controls established in the process.
- ▶ Conducting interviews with the internal legal advisors and those responsible for regulatory compliance of the Group and obtaining written confirmations and reports, prepared both by Management and by its internal legal advisors and, where appropriate, external advisors, in relation to legal procedures, pending claims and potential regulatory breaches, all for the purpose of evaluating the scope and result of the analysis carried out by Management, in relation to the probability and magnitude of the associated risks as well as the determination, where appropriate, of the provisions to be recognize and the disclosures to be included in the consolidated annual accounts.
- ▶ Involve our legal and tax specialists, mainly, to analyze the reasonableness of the conclusions reached by Group Management.
- ▶ Review disclosures included in the consolidated annual accounts in accordance with the applicable financial reporting framework.

Impairment of non-financial non-current assets

Description At December 31, 2021, the Group has recognised non-current tangible and intangible assets amounting 1,690 million euros, of which 629 million euros, correspond to goodwill.

For the purpose of assessing the impairment of non-current non-financial assets, the Group allocates such assets to the corresponding cash-generating units (CGU), which are defined in accordance with their respective country of operation and business segment: Cash, Security, Alarms, Cybersecurity and AVOS.

The group estimates, at least at year-end, or earlier in the case of impairment indicators being identified, the recoverable amount of each cash-generating unit. For the Cash, Security, Cybersecurity and AVOS businesses, the recoverable amount has been determined considering their value in use, while for the Alarms business, it has been determined for its fair value.

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

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

The main aspects on which the Group applies judgements in determining the related assumptions are the following:

- ▶ In the Cash, Security, Cybersecurity and AVOS businesses, future margins estimate, working capital evolution, discount and growth rates, as well as the economic and regulatory conditions in the different markets in which it operates.
- ▶ In the Alarms business, the recurrent monthly revenues per connection, and the multiple of such monthly revenues in the estimation of fair value.

Disclosures for the recognition and valuation criteria as well as the main assumptions used by Group Management in assessing the impairment of non-financial non-current assets, are included in Notes 35.10, 11, 12, 13 and 14 of the accompanying consolidated annual accounts.

Our

Response

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

- ▶ Understand the process established by Group Management to determine impairment of the value of non-financial non-current assets and assessment of the design and implementation of relevant controls established in the process.
- ▶ Assessment of the analysis of impairment indicators of the cash generating units performed by Group Management.
- ▶ Regarding the Cash, Security, Cybersecurity and AVOS businesses, review of the models used by Group Management, in collaboration with our valuation specialists, encompassing its mathematical coherence, reasonableness of the projected cash flows, discount rates and long-term growth rates, as well as the consistency of these models with the business plans approved by the Group's governing bodies. Throughout the performance of our work, we held interviews with those responsible for the preparation of the models and using renowned external sources and other available information to contrast data.
- ▶ With respect to the Alarms business, review, with the assistance of our valuation specialists, the reasonableness of the judgments applied in the determination of the main assumptions considered for the fair value estimate, in particular, the recurrent monthly revenues per connection and the market multiples applied on such revenues, which was obtained based on the latest transactions observed.
- ▶ Review of the sensitivity analysis performed by Group Management regarding the estimates performed in determining the recoverable amount in the event of changes in the relevant assumptions considered.
- ▶ Review disclosures included in the consolidated annual accounts in accordance with the applicable financial reporting framework.

Other information: consolidated directors' report

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

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

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

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

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

The directors of the parent company are responsible for the preparation of the accompanying consolidated annual accounts so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated annual accounts

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

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

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

- ▶ Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and subsidiaries for the 2021 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. are responsible for submitting the annual financial report for the 2021 financial year, in accordance with the formatting and mark-up 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 consolidated directors' report.

Our responsibility consists of examining the digital files prepared by the directors of the parent 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 consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, 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 4, 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)

Ana María Prieto González
(Registered in the Official Register of
Auditors under N° 18888)

February 25, 2022



PROSEGUR

Consolidated Annual Accounts and Directors' Report for the year ended 31 December 2021

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

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

Prosegur Compañía de Seguridad, S.A. and Subsidiaries

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I. CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(In thousands of Euros)

	Note	2021	2020
Revenue	3	3,498,064	3,570,421
Cost of sales	4	(2,689,857)	(2,760,724)
Gross Profit/(Loss)		808,207	809,697
Other income	6	40,330	541,861
Administration and sales expenses	4	(643,949)	(657,073)
Other expenses	6	(25,539)	(143,270)
Participation in profits/(losses) of the year, regarding investments accounted for using the equity method	16	(5,071)	(1,781)
Operating profit/(loss) (EBIT)		173,978	549,434
Financial income	7	55,987	30,531
Financial expense	7	(90,983)	(96,229)
Net financial expenses		(34,996)	(65,698)
Profit/(loss) before tax		138,982	483,736
Income tax	27	(95,271)	(148,861)
Post-tax profit of ongoing operations		43,711	334,875
Consolidated profit/(loss) for the year		43,711	334,875
Attributable to:			
Owners of the parent		40,994	331,254
Non-controlling interests	22	2,717	3,621
Proceeds per share from ongoing activities attributable to the owners of the parent company (Euro per share)			
- Basic	8	0.0760	0.6013
- Diluted	8	0.0760	0.6013

The Notes on pages 10 to 133 form an integral part of the Consolidated Annual Accounts.

II. CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 December 2021 AND 2020

(In thousands of Euros)

	Note	2021	2020
Profit/(loss) for the year		43,711	334,875
Other comprehensive income:			
Items that are not going to be reclassified to profit/(loss)			
Changes in the fair value of equity instruments (Note 18)		26,667	(101,472)
Actuarial gains/(losses) on defined benefit schemes	5.2	2,098	(639)
		28,765	(102,111)
Items that are going to be reclassified to profit/(loss)			
Translation differences for foreign operations	22	56,168	(227,653)
		56,168	(227,653)
Total comprehensive income for the year, net of tax		128,644	5,111
Attributable to:			
- Owners of the parent		122,844	35,429
- Non-controlling interests		5,800	(30,318)
		128,644	5,111

The Notes on pages 10 to 133 form an integral part of the Consolidated Annual Accounts.

III. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2021 AND 2020

(In thousands of Euros)

	Note	2021	2020
ASSETS			
Property, Plant and Equipment	11	616,276	596,896
Rights of use	12	93,230	82,903
Goodwill	13	628,908	590,672
Other intangible assets	14	351,687	295,611
Property investments	15	55,345	44,351
Investments accounted for using the equity method	16	265,711	268,047
Non-current financial assets	18	233,128	190,845
Deferred tax assets	27	106,885	99,238
Non-current assets		2,351,170	2,168,563
Inventories	19	65,351	46,526
Clients and other receivables	20	733,160	675,685
Current tax assets	27	80,537	105,709
Other financial assets	21	955	150,000
Cash and cash equivalents	21	584,950	767,011
Current assets		1,464,953	1,744,931
Total assets		3,816,123	3,913,494
EQUITY			
Share capital	22	32,916	32,916
Share premium	22	25,472	25,472
Own shares	22	(29,439)	(14,550)
Translation differences	22	(752,285)	(805,584)
Retained earnings and other reserves	22	1,415,731	1,456,951
Equity attributed to holders of equity instruments of the Parent		692,395	695,205
Non-controlling interests	22	18,331	22,912
Total equity		710,726	718,117
LIABILITIES			
Financial liabilities	24	1,433,393	1,584,737
Lease liabilities	12	71,985	64,627
Deferred tax liabilities	27	77,306	66,834
Provisions	23	201,315	186,520
Other non-current liabilities	26	24,791	20,846
Non-current liabilities		1,808,790	1,923,564
Suppliers and other payables	25	814,698	714,941
Current tax liabilities	27	162,534	168,053
Financial liabilities	24	246,679	325,300
Lease liabilities	12	30,080	27,889
Provisions	23	1,033	4,962
Other current liabilities	26	41,583	30,668
Current liabilities		1,296,607	1,271,813
Total liabilities		3,105,397	3,195,377
Total equity and liabilities		3,816,123	3,913,494

The Notes on pages 10 to 133 form an integral part of the Consolidated Annual Accounts.

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

(In thousands of Euros)

	Equity attributed to holders of equity instruments of the Parent					Non-controlling interests (Note 22)	Total equity
	Capital (Note 22)	Issue premium (Note 22)	Own shares (Note 22)	Translation differences (Note 22)	Retained earnings and other reserves (Note 22)		
Balance at 31 December 2019	35,921	25,472	(107,927)	(187,965)	1,060,609	72,230	898,340
Translation differences reclassified to reserves (Note 35)	—	—	—	(423,772)	423,772	—	—
Balance at 1 January 2020	35,921	25,472	(107,927)	(611,737)	1,484,381	72,230	898,340
Total comprehensive income for the year	—	—	—	(193,847)	229,276	(30,318)	5,111
Purchase of own shares	—	—	(108,052)	—	—	—	(108,052)
Programme of interim dividend reinvestment 2019	—	—	53,113	—	(19,081)	—	34,032
Exercise of share incentives to employees	—	—	641	—	(267)	—	374
Regular dividend on account	—	—	—	—	(68,027)	—	(68,027)
Capital increase Prosegur Cash S.A.	—	—	—	—	—	1,842	1,842
Prosegur Cash S.A. dividend	—	—	—	—	—	(14,994)	(14,994)
Capital reduction	(3,005)	—	147,675	—	(144,670)	—	—
Other changes	—	—	—	—	(24,661)	(5,848)	(30,509)
Balance at 31 December 2020	32,916	25,472	(14,550)	(805,584)	1,456,951	22,912	718,117
Total comprehensive income for the year	—	—	—	53,299	69,545	5,800	128,644
Purchase of own shares	—	—	(15,271)	—	—	—	(15,271)
Exercise of share incentives to employees	—	—	382	—	3,663	361	4,406
Regular dividend on account	—	—	—	—	(68,027)	—	(68,027)
Prosegur Cash S.A. dividend	—	—	—	—	—	(6,216)	(6,216)
Other changes	—	—	—	—	(46,401)	(4,526)	(50,927)
Balance at 31 December 2021	32,916	25,472	(29,439)	(752,285)	1,415,731	18,331	710,726

The Notes on pages 10 to 133 form an integral part of the Consolidated Annual Accounts.

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

(In thousands of Euros)

	Note	2021	2020
Cash flows from operating activities			
Profit / (Loss) of the year		43,711	334,875
<i>Adjustments for:</i>			
Depreciation and amortisation	11, 12, 14, 15	193,835	184,830
Loss for impairment of non-current assets	6	18,246	93,535
Impairment losses on trade receivables and inventories	6, 19, 20	(3,166)	11,130
Other income and expenses		(1,031)	(483,184)
Changes in provisions	23	25,942	13,980
Financial income (excluding hyperinflationary effect of operating profit/(loss))	7	(69,467)	(30,531)
Financial expenditure (excluding hyperinflationary effect of operating profit/(loss))		90,983	83,107
(Profit)/loss from disposals and sales of fixed assets	6	6,481	15,304
Participation in profits/(losses) regarding investments accounted for using the equity method	16	5,071	1,781
Income tax	27	95,271	148,861
Changes in working capital, excluding the effect of acquisitions and translation differences			
Inventories	19	(13,307)	(1,907)
Clients and other receivables		(78,496)	55,666
Suppliers and other payables		96,842	19,692
Payments of provisions	23	(17,941)	(16,209)
Other liabilities		15,819	(2,446)
Cash generated from operations			
Interest payments		(21,555)	(25,778)
Income tax paid		(56,934)	(78,398)
Net cash generated from operating activities		330,304	324,308
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment	11	—	6,005
Sale of subsidiaries, net of cash and cash equivalents		4,307	(17,606)
Dividend collection		17,143	15,050
Proceeds from the sale of financial assets		153,442	170,000
Interest received		4,988	4,384
Purchase of subsidiaries, net of cash and cash equivalents	30	(23,281)	(30,910)
Payments for the purchase of property, plant and equipment	11	(96,591)	(113,985)
Payments for the purchase of intangible assets	14	(47,545)	(30,396)
Payments for the purchase of non-controlling interests	22.4	(27,579)	(19,800)
Purchase and capitalisation of joint ventures	16	—	—
Payments for the purchase of financial assets	18	(10,585)	(4,060)
Net cash generated from investing activities		(25,701)	(21,318)
Cash flows from financing activities			
Payments from lease liabilities		(46,420)	(41,395)
Payments from the rescue of own shares and other own equity instruments	24	(27,600)	(125,400)
Proceeds from debts with credit institutions	24	345,739	946,997
Payments from debts with credit institutions	24	(601,520)	(632,010)
Payments from other financial liabilities	24	(51,788)	(74,155)
Paid dividends		(80,652)	(55,656)
Net cash generated from financing activities		(462,241)	18,381
Net increase (decrease) in cash and cash equivalents		(157,638)	321,371
Cash and cash equivalents at the beginning of the year		767,011	530,677
Effect of exchange differences on cash and changes to the scope		(24,423)	(85,037)
Cash and equivalents at the end of the year		584,950	767,011
- Cash and cash equivalents at the end of the period of ongoing operations	21	584,950	767,011

The Notes on pages 10 to 133 form an integral part of the Consolidated Annual Accounts.

VI. NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS AT 31 DECEMBER 2021

1. General Information

Prosegur is a business group composed of Prosegur Compañía de Seguridad, S.A. (hereinafter, the Company) and its subsidiaries (jointly, Prosegur) which is present in the following countries: Germany, Argentina, Australia, Brazil, Chile, China, Colombia, Costa Rica, Ecuador, El Salvador, Spain, the United States, the Philippines, Guatemala, Honduras, India, Indonesia, Luxembourg, Mexico, Nicaragua, Paraguay, Peru, Portugal, United Kingdom, Singapore, South Africa and Uruguay.

Prosegur is mainly organised into the following business lines:

- Security;
- Cash;
- Alarms;
- Cybersecurity;
- AVOS (added-value outsourcing services).

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

Prosegur Compañía de Seguridad, S.A. is a public limited Company that is listed on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia whose shares are traded on the Spanish Stock Exchange Interconnection System (SIBE). The Company was incorporated in Madrid on 14 May 1976 and is entered in the Mercantile Register of Madrid. The registered offices of Prosegur Compañía de Seguridad, S.A. are at Calle Pajaritos, 24, Madrid (Spain).

The corporate purpose is described in Article 2 of its Articles of Association. The main services and activities provided by the Company by means of its subsidiaries are as follows:

- Security patrol and protection of premises, goods and individuals.
- The transportation, storage, safekeeping, counting and classification of coins and bank notes, deeds, securities and other items that require special protection due to their economic value or associated risk.
- The installation and maintenance of security equipment, devices and systems.

These Consolidated Annual Accounts were authorised for issue by the Board of Directors on 24 February 2022 and are pending approval by the shareholders at their Shareholders General Meeting. However, the directors consider that these Consolidated Annual Accounts will be approved with no changes.

Structure of Prosegur

Prosegur Compañía de Seguridad, S.A. is the Parent Company of the Group formed by subsidiaries (Appendix I). In addition, Prosegur has Joint Arrangements (Note 16, 17 and Appendix II).

Prosegur holds interests of less than 20% in the share capital of other entities. It does not exert significant influence over these entities (Note 18).

Details of the principles applied to prepare the Prosegur consolidated annual accounts and define the consolidation scope are provided in Note 35.2.

2. Basis for Presentation

2.1. Basis for presentation of the Consolidated Annual Accounts

The accompanying Consolidated Annual Accounts have been prepared on the basis of the accounting records of Prosegur Compañía de Seguridad, S.A. and the consolidated entities. The Consolidated Annual Accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter IFRS-EU) and other applicable financial reporting regulations to present fairly the consolidated equity and consolidated financial position of Prosegur Compañía de Seguridad, S.A. and subsidiaries at 31 December 2021, as well as the consolidated profit and loss from its operations and consolidated cash flows for the year then ended. The Consolidated Annual Accounts are filed yearly in the Mercantile Register of Madrid.

Note that these Annual Accounts omit such information or breakdowns that, not requiring details because of their qualitative importance, have been considered not material or not relatively important in accordance with the concept of Materiality or Relative Importance defined in the conceptual framework of IFRS-EU.

2.2. Changes in the consolidation scope

The following companies were incorporated or wound up in 2021:

- In January 2021, Garantís Sumarmas, S.L. was wound up in Spain.
- In May 2021, Prosegur Alarm Hizmetleri Anonim Şirketi was wound up in Turkey.
- In June 2021 Beagle Technical (Pty) Ltd. was wound up in South Africa.
- In August 2021, Dinero Gelt SAS was incorporated in Colombia.
- In September 2021 Prosegur Global Risk Services LLC was incorporated in the United States.
- In November 2021, Indiseg Evolium Group, S.L.U. was wound up in Spain.
- In November 2021, Prosegur Avos Portugal Unipessoal Ltda was wound up in Portugal.
- In December 2021, Prosegur Exchange Pty Limited was incorporated in Australia.
- In December 2021, Roytronic S.A. and Coral Melody S.A were wound up in Uruguay.

The following mergers took place between subsidiaries in 2021:

- In June 2021, the takeover merger of Servicios Auxiliares Petroleros, S.A., by Prosegur Gestión de Activos ARG, S.A., was formalised in Argentina, with effect on 1 January 2021.
- In June 2021, in Brazil the takeover merger of Prosegur Administração de Recebíveis Ltda. by Segurpro Tecnologia em Sistemas de Segurança Eletrônica e Incêndios Ltda. was formalised.
- In August 2021, in Brazil the takeover merger of Segurpro Sistemas de Segurança Ltda. by Segurpro Tecnologia em Sistemas de Segurança Eletrônica e Incêndios Ltda was formalised.
- In December 2021, the takeover merger of Compliofficer S.L.U and Work 4 Data Lab S.L.U., was formalised by Risk Management Solutions S.L.U, with effect on 1 January 2021.

Sale of 100% of Prosegur Soluciones S.A. to Movistar Prosegur Alarmas S.L.

On 30 July 2021 Prosegur sold 100% of the company Prosegur Soluciones S.A. to Movistar Prosegur Alarmas España, a company in which Prosegur has a 50% holding. Prosegur Soluciones S.A. is mainly engaged in marketing the services of Movistar Prosegur Alarmas España and managing the closing of the corresponding contract with end clients of Movistar Prosegur Alarmas España on behalf of the latter, through the Door to Door channel under the marketing contract signed between both parties.

The total purchase price was set at EUR 19,510 thousand and was calculated as the sum of the amount of commissions due and not paid under the marketing contract signed between them up until 31 July 2021 plus the amount of the fees due and not paid under the Call Center service contract up until 31 July 2021 plus/minus the net financial debt as at 31 July 2021 less 50% of the value of the Items Payable of Prosegur Soluciones S.A. at 31 July 2021

The cash and cash equivalents that were sold with the company amounted to EUR 385 thousand.

The net assets of the company at the time of sale amounted to EUR 17,023 thousand. The sale entailed income for Prosegur of EUR 2,487 thousand included under the heading Other income.

Purchase of Dinero Gelt México SA de CV and Costumbres del Sur SA

In April 2021, the inactive Mexican company Dinero Gelt Mexico S.A. de CV. was purchased, and in October 2021 the inactive company Costumbres del Sur S.A. was acquired in Uruguay.

Other changes to the consolidation scope in 2021 are acquisitions of subsidiaries, details of which are provided in Note 30.

2.3. Comparative information

The consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the consolidated financial statements for 2021 include comparative figures for the previous year.

As a consequence of the IFRIC decision agenda taken in 2020, the Prosegur Group changed the presentation it had previously made of the translation differences of the business in Argentina, which had been considered reserves. In its decision agenda, the IFRIC clarified that the effects of inflation corrected by IAS 29 in the country's equity affected by hyperinflation (excluding the part of the net monetary position that directly affects profit/(loss)) have a currency effect similar to which occurs when converting the country's financial statements into presentation currency, so both items must be reflected within translation differences.

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

In application of all the above, the Group proceeded to reclassify the treatments that it had carried out directly against reserves in previous years for an amount of EUR 423,772 thousand between translation differences and reserves in the year 2020 and cumulatively, without modifying the comparative presentation of said periods.

2.4. Estimates, assumptions and relevant judgements

The preparation of the Consolidated Annual Accounts in accordance with IFRS-EU requires the application of relevant accounting estimates and the undertaking of judgements, estimates and assumptions in the process for application of the Prosegur accounting policies and valuation of the assets, liabilities and profit and loss.

Although estimates are calculated by Prosegur'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 consolidated annual accounts of adjustments to be made in subsequent years would be recognised prospectively, where appropriate.

Accounting estimates and assumptions

Information on relevant accounting estimates and assumptions that pose a significant risk of causing material adjustments in the year ended on 31 December 2021 are included in the following notes:

- Business combinations: determination of the interim fair values (Notes 30 and 35.2).
- Impairment of property, plant and equipment, intangible assets, goodwill, right-of-use assets and held-for-sale non-current assets: assumption for the calculation of recoverable amounts (Notes 11, 12, 13,14, 15, 35.6, 35.7, 35.8, 35.9, 35.10 and 35.23).
- Equity instruments: assumptions used to determine fair values (Notes 18 and 35.11).
- Impairment of financial assets: calculated based on the expected loss (Note 20, 35.11 and 35.13).
- Recognition and valuation of provisions and contingencies: assumptions to determine the probability of occurrence and the estimate amounts of resource outflows (Notes 23, 28 and 35.17).
- Recognition and valuation of the defined benefit schemes for employees: actuarial hypotheses for the provision of defined benefit schemes for employees (Notes 5.2, 23 and 35.20).
- Recognition and valuation of deferred tax assets: estimates and assumptions used to measure the recoverability of tax credits (Notes 27 and 35.19).
- Revenue recognition: determination of the degree of progress for construction contracts (Note 35.21).

Relevant judgements

Information on judgements made in applying Prosegur accounting policies with a significant impact on the amounts recognised in the consolidated financial statements is included in the following notes:

- Consolidation: control determination (Note 35.2).
- Leases: lease classification (Note 35.7).
- Non-current assets held for sale (Note 35.23).

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.

Prosegur has established a control framework with respect to determining fair values. This framework includes a valuation team, reporting directly to Financial Management, with general responsibility over the supervision of all relevant fair value calculations. On a regular basis the financial team reviews significant unobservable criteria and valuation adjustments. If third-party information is utilised in determining fair values, such as price-fixing or broker quotations, the valuation team verifies the fulfilment of such information with the IFRS-EU and the level of fair value in which such valuations should be classified. Significant valuation issues are reported to the Prosegur Audit Committee.

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.

The following Notes contain more information on the assumptions used in determining fair values:

- Note 18: Equity instruments.
- Note 30: Business combinations.
- Note 32.3: Financial instruments and fair value.

Climate change

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

The Prosegur Group has a commitment to reduce its emissions in the medium and long term, for which it has defined main lines of action such as clean energy supply policies and adaptation of its tangible fixed assets for others of low emissions.

These measures do not entail the need to make significant investments at the current time, so did not have a significant impact in accounting terms on the Group's consolidated financial statements during 2021 and previous years.

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

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

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

COVID-19

Almost two years have passed since COVID-19 was declared a pandemic, and the Group 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 Prosegur Group continues to assess the impacts of COVID-19 and to adopt a series of measures to mitigate the effects on the consolidated financial statements. As of 31 December 2021, they are as follows:

- Liquidity risk: During the pandemic the Prosegur Group had privileged levels of liquidity. During 2020 and for reasons of prudence, it made use of syndicated financing facilities, which were returned in 2021 after ruling out the uncertainty associated with bank financing. Therefore, at the close of 2021, the Group therefore has no disposed balances in the lines of credits associated with the syndicated financing facilities for the amount of EUR 300,000 thousand and EUR 200,000 thousand (Note 24).
- Operational risk: While in some regions business levels returned to pre-pandemic levels in 2021, the Group continues its cost containment policies in an effort to mitigate the impact of COVID-19. (Notes 5 and 6).
- Risk of measurement of assets and liabilities on the balance sheet: Analysis of indicators of impairment in non-financial assets, with impacts on those CGUs where government restrictions have been more severe (Note 13). Revision of projections for deferred tax asset recovery (Note 27), with no significant impact.
- Credit risk: The Group has complied with the applicable Covenants at the end of the year. In addition, the loss models expected as a result of the impact of the pandemic, with non-significant impacts have been evaluated and reviewed (Note 20).
- Granting of government aid to maintain jobs in the security sector associated with aviation in the United States in the context of the COVID-19 pandemic in 2021 included under the heading 'Other income' in the consolidated income statement, for EUR 26,624 thousand (Note 6).
- Analysis of contractual clauses, as a measure to prevent potential additional impacts.
- Going concern risk: in light of the aspects mentioned above, the Company considers that at 31 December 2021, no risk associated with the application of the going concern principle was detected, showing the resilience of the Group.

3. Revenue

Details of revenue are as follows:

	Thousands of Euros	
	2021	2020
Provision of services	3,359,734	3,415,334
Sale of goods	18,925	12,662
Proceeds from operating leases	119,405	142,425
Total revenue	3,498,064	3,570,421

Operating lease income are generated by alarm system rentals. As explained in Note 35, when a client rents an alarm system, the Company receives an initial amount which is taken to the income statement over the average contract duration and a regular payment for the rental of the equipment and the service provided.

For a description of the Group's revenue recognition policy see Note 35.21. See Note 10 for further information on revenue by segment and geographical area.

4. Cost of sales and administration and sales expenses

The main expenditure items composing cost of sales and administration and sales expenses are as follows:

Thousands of Euros		2021	2020
Supplies		160,036	146,277
Employee benefits expenses	(Note 5)	2,036,083	2,147,568
Operating leases	(Note 12)	22,491	23,412
Supplies and external services		243,544	218,361
Depreciation and amortisation		72,032	75,567
Other expenses		155,671	149,539
Total cost of sales		2,689,857	2,760,724

Thousands of Euros		2021	2020
Supplies		5,191	6,554
Employee benefits expenses	(Note 5)	338,737	345,137
Operating leases	(Note 12)	6,000	11,088
Supplies and external services		137,627	121,087
Depreciation and amortisation		121,803	109,263
Other expenses		34,591	63,944
Total administration and sales expenses		643,949	657,073

While in some regions business levels returned to pre-pandemic levels in 2021, the Group continues its cost containment policies in an effort to mitigate the impact of COVID-19 (Note 2.4).

Total supplies in the consolidated income statement for 2021 amount to EUR 165,227 thousand (2020: EUR 152,831 thousand).

Under the heading of employee benefits expenses, included under total cost of sales, employee benefits expenses corresponding to new business combinations (Note 30) as well as expenses relating to endowments for occupational risks (Note 23) are included.

Additionally the heading of other expenses, included under total administration and sales expenses, includes indirect taxation costs mainly in Argentina and Brazil for the amount of EUR 6,475 thousand, these decreased with respect to the 2020 financial year, mainly owing to increased tax offsets in Brazil.(2020 : EUR 27,397 thousand).

The heading on supplies and external services includes the costs for the repair of items of transport, bill-counting equipment, operating subcontracts with third parties and other advisors such as lawyers, auditors and consultants. This item increased during 2021 as compared to 2020 as a result of the reactivation of the business in certain regions.

The heading on operating leases includes the lease costs that are not recognised as a right of use because they are exempt from that recognition as short-term contracts and contracts whose underlying asset is insignificant, as well as the expenses associated with those leases (Note 35.7).

The decrease in employee benefits expenses, included under total cost of sales, is due to the net impact of the efficiencies performed in 2020 (Note 2.4) and to the new business combinations (Notes 30 and 2.2).

5. Employee benefits

5.1. Employee benefits expense

Details of the employee benefits expense are as follows:

	Thousands of Euros	
	<u>2021</u>	<u>2020</u>
Wages and salaries	1,804,774	1,874,226
Social Security expenses	444,573	482,185
Other employee benefits expenses	71,992	60,009
Indemnities	53,481	76,285
Total employee benefits expenses	<u>2,374,820</u>	<u>2,492,705</u>

Although business levels have recovered in 2021, the Group continues its cost containment policies in an effort to mitigate the impact of COVID-19 in its margin (Note 2.4).

The accrual of the long-term incentives 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 (Notes 23 and 35.20).

During 2021, the total impact on the income statement of long-term incentives associated with the 18-20 Plan, 21-23 Plan and the Retention Plan for the Executive President, Managing Director and Group Management amounted to a higher net expense of EUR 11,249 thousand. During the 2020 financial year, the positive impact on the income statement amounted to EUR 7,275 thousand (Note 23).

The heading on indemnities includes the provision for occupational risks (Note 23).

5.2. Employee benefits

The Prosegur Group contributes to various defined benefit schemes in Germany, Brazil, Honduras, Nicaragua, El Salvador, Ecuador and Mexico. The defined benefit scheme comprising post-employment healthcare offered to employees in Brazil is compliant with local legislation (Act 9656). The Mexico defined benefit scheme consists of seniority bonuses; the defined benefit schemes in Germany and Ecuador consist of retirement awards; while the pension plans in Nicaragua, El Salvador and Honduras consist of severance compensation.

During the 2021 period, the amount recognised as a higher expense in the income statement under the heading of personnel costs amounts to EUR 2,322 thousand (a lower expense of EUR 334 thousand in 2020).

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

	Thousands of Euros	
	2021	2020
Balance at 1 January	17,295	20,744
Net Expense for the year	2,322	(344)
Contributions to scheme	(809)	(1,132)
Actuarial Loss/(Profit)	(2,098)	639
Business combination (Note 30)	—	7,157
Exits from the scope	—	(5,906)
Translation differences	843	(3,863)
Balance at 31 December	17,553	17,295

During 2021, the positive impact on the consolidated statement of comprehensive income arising from actuarial losses amounted to EUR 2,098 thousand, (negative impact of EUR 639 thousand in 2020) (Note 23).

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

	Thousands of Euros	
	2021	2020
Brazil	6,865	7,911
Germany	372	372
Mexico	2,052	1,627
Ecuador	8,150	7,276
Central America	114	109
Total liabilities for employee benefits expenses	17,553	17,295

At 31 December 2021 the defined benefit schemes in Brazil had 18,279 employees (20,735 employees in 2020). The Germany plan involved 3 employees at 31 December 2021 (3 employees in 2020). In Mexico the scheme had 2,728 employees in 2021 (2,840 employees in 2020). The Central America plan involved 617 employees in 2021 (819 employees in 2020). The Ecuador plans involved 1,337 employees at 31 December 2020 (1,576 employees in 2020).

The breakdown of actuarial assumptions used for calculating the current value of the main obligations of the defined benefit schemes in Germany, Brazil, Ecuador, Mexico and Nicaragua, Honduras and El Salvador is as follows:

	Brazil		Germany		Mexico		Nicaragua		Honduras		El Salvador		Ecuador	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Inflation rate	3.3 %	3.3 %	1.8 %	1.8 %	3.5 %	3.5 %	5.0 %	5.0 %	4.0 %	4.0 %	3.0 %	2.0 %	3.0 %	3.0 %
Annual discount rate	5.4 %	3.8 %	0.6 %	0.6 %	9.5 %	8.5 %	11.0 %	10.3 %	6.6 %	6.6 %	3.6 %	3.0 %	8.6 %	8.2 %

From Prosegur's experience, the age factor assumed in the benefits scheme in Brazil is as follows:

- 0 to 5 Minimum Wages = 16.97%
- 5 to 10 Minimum Wages = 14.29%
- More than 10 Minimum Wages = 11.42%

The mortality tables used in determining the defined benefit obligations were as follows:

Brazil		Germany		Mexico		Honduras, Nicaragua and El Salvador		Ecuador	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
AT 2000 reduced by 10% itemised per gender	AT 2000 reduced by 10% itemised per gender	Heubeck Richttafeln 2018 G	Heubeck Richttafeln 2018 G	Mexican Social Security Experience for Assets 2009	Mexican Social Security Experience for Assets 2009	100% of the securities in Watson Wyatt Worldwide and GAM83	100% of the securities in Watson Wyatt Worldwide	TM IESS 2002	TM IESS 2002

The variables of the defined benefit schemes that expose Prosegur to actuarial risks are: future mortality, trend in medical costs, inflation, retirement age and the market and discount rate.

6. Other income and expenses

Other expenses

Details of other expenses are as follows:

	Thousands of Euros	
	2021	2020
Loss/reversals for impairment of receivables (Note 20)	3,576	(8,594)
Loss for impairment of non-current assets (Note 11, 13 and 14)	(18,246)	(93,535)
Losses on the disposal of fixed assets	(6,481)	(15,304)
Other expenses	(4,388)	(25,837)
Total other expenses	(25,539)	(143,270)

The change in the item of impairment losses on receivables comes forth as a result of the decrease in credit risks that arose in 2020 due to the COVID-19 pandemic (Note 2.4).

The section for losses on the disposal of fixed assets mainly includes losses associated with disposals of property, plant and equipment, which correspond mainly to the alarm installations that Prosegur hires to third parties under operating leases, for a total of EUR 2.870 thousand (EUR 5,548 thousand at 31 December 2020).

The section on impairment losses on non-current assets includes the impairment losses on goodwill and on property, plant and equipment in 2021 and the impairment losses, intangible assets and property, plant and equipment in 2020 recorded after checking the recoverable values of each of the CGUs in relation to their net accounting value (Note 11, 13 and 14).

The heading on other expenses in 2020 primarily recorded the following expenses:

- Loss derived from the sale of 100% of the security operations in France to Fiducial for a total sum of EUR 13,221 thousand that appeared as the difference between the value of the net assets of the French companies and the payment received at the time of the sale.

- Loss derived from the sale of the Mexican companies Prosegur Seguridad Privada Logística y Gestión de Efectivo S.A. de CV, Prosegur Servicios de Seguridad Privada Electrónica S.A. de CV and Grupo Tratamiento y Gestión de Valores SAPI de CV for a total sum of EUR 1,041 thousand.
- Loss derived from the sale of 100% of the Honduran company Command Security Honduras S.A. for a total amount of EUR 386 thousand.
- Provision associated with the sanctioning file lodged by the National Stock Market Commission for alleged anti-competitive practices for an amount of EUR 8,695 thousand after the Constitutional Court did not admit the appeal for protection presented by Prosegur for the home inspection carried out at the Prosegur offices to processing during the financial year 2020 (Note 23).

Other income

The heading on other income in 2021 primarily records the following income:

- Income generated from the non-refundable subsidies accrued awarded by the Administration to maintain jobs in the aviation sector in the United States in the context of the COVID-19 pandemic for EUR 26,624 thousand (note 2.4).
- Profit from the sale of 100% of Prosegur Soluciones S.A. to Movistar Prosegur Alarmas España, a company in which Prosegur holds a 50% stake, in an amount of EUR 2,487 thousand (Note 16).

The heading on other income in 2020 primarily recorded the following income:

- Profit derived from the sale of 50% of Prosegur's Alarms business in Spain for EUR 248,837 thousand and profit derived from recognising the remaining 50% stake that Prosegur maintains in Prosegur Alarmas España at fair value, for an amount of EUR 248,837 thousand (Note 16).
- Income generated from the non-refundable subsidies accrued awarded by the Administration for the maintenance of employment in the context of the COVID-19 pandemic for EUR 26,442 thousand.

The heading of other income also includes that generated by various properties located mainly in Buenos Aires and France (Note 15). Income generated for these properties in 2021 amounted to EUR 3,829 thousand (2020: EUR 5,348 thousand).

At the close of 2021, these properties are leased to third parties, with contracts lasting between 1 and 5 years. Future minimum receipts for the leases of those properties are as follows:

	Thousands of Euros	
	2021	2020
Up to one year	3,017	3,745
Between one and five years	8,569	11,588
	11,586	15,333

7. Net financial expenses

Details of the net financial expenses are as follows:

	Thousands of Euros	
	2021	2020
Borrowing costs:		
- Bank borrowings	(10,941)	(12,750)
- Debentures and other negotiable securities	(15,251)	(15,251)
- Update of lease liabilities (Note 12)	(5,162)	(5,178)
- Security programme interests	—	(2)
	(31,354)	(33,181)
Interest received:		
- Credits and other investments	5,448	4,023
- Dividends received	17,143	19,223
	22,591	23,246
Other profit/(loss)		
Net (loss)/profit on foreign currency transactions	(38,967)	(21,538)
Net financial expense from the net monetary position	13,244	(4,202)
Other financial income	20,152	7,285
Other financial expense	(20,662)	(37,308)
	(26,233)	(55,763)
Net financial expenses	(34,996)	(65,698)
Total financial income	55,987	30,531
Total financial expense	(90,983)	(96,229)
	(34,996)	(65,698)

The variation in net financial costs is associated with interest expenses on loans with credit institutions, which have fallen due to the fewer financing operations being contracted. Lastly, the variation is due to the volatility of currencies included under the heading of net gains/losses on transactions in foreign currency.

Other net financial income and expenses have decreased as a result of the reversal of the registration of late payment interest associated with tax liabilities related to the disputed tax assessments initiated by the Spanish Administration that were registered during the first six months of fiscal year 2020 for EUR 12,780 thousand (note 27), and the reduction in financial expenses due to the monetary adjustment of deferred payments of business combinations as a result of the settlement of part of the aforementioned debt during the year 2021 (note 24) and court deposits associated with labour actions opened in Brazil (note 23).

The dividends received heading includes all dividends associated with the shares of Telefónica, S.A. received in consideration for the sale of 50% of Prosegur Alarmas España in 2020.

In addition, as a result of the application of IAS 29 (Note 35.28), net financial income has arisen from the net monetary position in an amount of EUR 13,224 thousand (net financial expense from the net monetary position amounted to EUR 4,202 thousand in 2020). That item reflects the exposure to the change in the purchasing power of the Argentine currency.

Furthermore, as a result of the application of IFRS 16, financial expenses went up by EUR 5,162 thousand (2020: EUR 5,178 thousand) (see Note 12).

The heading other financial income and expenses mainly includes the financial updates, as the result of calculating the amortised cost of the debt, as well as deposits in court, both associated to the labour actions open in Brazil (Note 23), as well as the financial updating of tax contingencies, mainly in Brazil (Note 23) and the financial updating of deferred payments on business combinations taking place in the different countries.

The majority of financial income and expenses derive from financial assets and liabilities measured at amortised cost.

At 31 December 2021 and 2020 Prosegur has no financial derivatives contracted.

8. Earnings per share

Basic

Basic earnings per share are calculated by dividing the profit for the year attributable to the owners of the parent by the weighted average number of ordinary shares outstanding during the year, excluding own shares acquired by the Company (Note 22.1).

	Euros	
	<u>2021</u>	<u>2020</u>
Year profit attributable to the owners of the parent company	40,994,000	331,254,000
Weighted average ordinary shares in circulation	539,058,152	550,854,943
Basic earnings per share	<u>0.0760</u>	<u>0.6013</u>

Diluted

Diluted earnings per share are calculated by adjusting the profit for the year attributable to the owners of the parent and the weighted average number of ordinary shares outstanding for all the inherent diluting effects of potential ordinary shares.

	Euros	
	<u>2021</u>	<u>2020</u>
Year profit attributable to the owners of the parent company	40,994,000	331,254,000
Weighted average ordinary shares in circulation (diluted)	539,058,152	550,854,943
Diluted earnings per share	<u>0.0760</u>	<u>0.6013</u>

There are no commitments for potential adjustments on outstanding shares (Note 35.20).

9. Dividends per share

On 21 December 2020, the Board of Directors approved the distribution of a regular dividend of EUR 0.1240 per share on account of the 2021 profits, or a total maximum dividend of EUR 68,027 thousand (considering that the share capital is currently represented by 548,604,222 shares). This dividend will be distributed to shareholders as four payments, in January, April, July and October 2022. Each payment is calculated as EUR 0.0310 per outstanding share at the payment date. AS of December 31 2021 the Group holds a dividend debt amounting to EUR 68,027 thousand, which is recorded under the heading of Suppliers and other payables as current liabilities.

The maximum amount represented by own shares at each payment date, and therefore not distributed, will be transferred to voluntary reserves. The amount for undistributed dividends out of the maximum total agreed for the year 2021 is reflected in the item of 'Other Changes' in the consolidated statement of changes in equity for the amount of EUR 1,140 thousand.

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

The provisional accounting statement prepared by the Board of Directors in accordance with legal requirements which revealed the existence of insufficient liquidity to pay out those interim dividends is shown below:

	Thousands of Euros
	<u>2021</u>
Initial cash on hand (before the interim dividend)	92,443
Group current bank account balances	(27,567)
Current proceeds	9,320
Temporary financial investments	275,561
Payments for Current Operations	(4,600)
Payments for Financial Transactions	(8,729)
Extraordinary Payments	(3,581)
Forecast Cash	332,847
Less dividend payments according to the proposal	(68,027)
Final cash after dividends	<u>264,820</u>

10. Segment reporting

The Board of Directors is ultimately responsible for making decisions on Prosegur's operations and, together with the Audit Committee, for reviewing Prosegur's internal financial information to assess performance and to allocate resources.

Business is the backbone of the organisation and is made up of the General Business Management Areas which are responsible for the design of security solutions for clients and cover the main business lines: Security, Cash, Alarms, Cybersecurity and AVOS (added-value outsourcing services) which correspond therefore to the Group's segments.

- Security: mainly includes the activities of guarding and protection of premises, goods and individuals and activities related to technological security solutions.
- Cash: mainly includes the transportation, storage, safekeeping, counting and classification of coins and bank notes, deeds, securities and other items that require special protection due to their economic value or associated risk.
- Alarms: this includes the installation and maintenance of home alarm systems, as well as the alarm monitoring service by Alarm Reception Centre (ARC).
- Cybersecurity: includes managed detection and response services, managed security services, cyberintelligence services, readteam services, management, risk and compliance, and integration of cybersecurity technology.
- AVOS (added-value outsourcing services): includes business process outsourcing services to improve operational management through redesign, automation and digital transformation in financial and insurance companies.

The corporate functions are supervised by the Global Support Directorates which cover the Financial Department, Prosegur Assets Management, Risk Management and CEO's Office. From the geographical perspective, the following geographical areas are identified:

- Europe, which includes the following countries: Germany, Spain, United Kingdom and Portugal.
- ROW, which includes the following countries: Australia, China, United States, the Philippines, India, Indonesia, Singapore and South Africa.
- LatAm, which includes the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

The Board of Directors uses earnings before interest and depreciations and tax (EBITA) to assess segment performance, since this indicator is considered to best reflect the results of the Group's different activities.

Prosegur is not highly dependent on any particular client (Note 32.1).

Inter-segment transactions are carried out at market conditions.

Total assets allocated to segments do not include other current and non-current financial assets, non-current assets held for sale, property investments of cash and cash equivalents, as these are managed at Prosegur Group level.

The total liabilities allocated to segments exclude bank borrowings as Prosegur jointly handles the financing, and they include lease liabilities.

Details of revenues by geographical area are as follows:

Thousands of Euros	Europe		ROW		LatAm		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Total Sales	1,423,443	1,550,701	367,253	333,296	1,707,368	1,686,424	3,498,064	3,570,421
<i>% of total</i>	41%	43%	10%	9%	49%	47%	100%	100%

Details of sales and EBITA by business are as follows:

Thousands of Euros	Cash		Security		Alarms		Cybersecurity		AVOS		PGA and unassigned		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total sales	1,518,813	1,507,517	1,734,886	1,743,507	184,838	195,653	14,473	—	45,054	—	—	123,744	3,498,064	3,570,421
EBITA	184,625	185,093	45,307	68,289	20,378	17,275	(2,258)	—	2,937	—	(28,316)	393,074	222,673	663,731

On 31 December 2021, the Cybersecurity segment was presented separately as a result of Prosegur's strategy based on a business-oriented model due to the greater weight and future expectations of that business line. The cybersecurity business was led by the Prosegur Assets Management (hereinafter PGA) support area, at 31 December 2020. On 31 December 2020, the total sales figure for the cybersecurity business amounted to EUR 16,266 thousand, included in PGA and unallocated.

On 31 March 2021, Prosegur Compañía de Seguridad, S.A. signed with its subsidiary Prosegur Cash, S.A. a sale agreement for the purchase by Prosegur of certain areas of the added-value outsourcing services (AVOS) business for financial institutions and insurance companies, as well as the associated technology, from Prosegur Cash. As a result of this sale, the added-value outsourcing services (AVOS) business line on 31 March 2021 was no longer integrated in the Cash segment and was created as a new segment of the Group called AVOS (added-value outsourcing services). The AVOS line of activity has its own operating organisation and reports directly to the Prosegur Group Board of Directors as an independent activity.

Unallocated costs consist of the support costs of the Security, Alarms, Cybersecurity and AVOS (added-value outsourcing services) business, as well as any exceptional costs incurred during the year which are not considered as the outcome of any of the four business lines themselves. The main change in the unassigned item corresponds to the capital gain derived from the sale of 50% of Prosegur Alarmas España in 2020 for the amount of EUR 497,675 thousand and the impairment losses on non-current assets in 2020 for the amount of EUR 93,535 thousand (Notes 11, 13 and 14) and which was significantly higher than those recorded in 2021, of EUR 18,246 thousand (Notes 11 and 13). Additionally, the unallocated heading included in 2020 the sales and EBITA associated with France Seguridad whose sale took place on 1 October 2020 and the costs associated with the company's digital transformation, which increased in 2021 over the previous year.

A reconciliation of EBITA allocated to segments with net profit/(loss) for the year attributable to the owners of the parent is as follows:

	Thousands of Euros	
	2021	2020
EBITA allocated to segments	271,313	270,657
Non-allocated EBITA	(48,640)	393,074
EBITA for the period	222,673	663,731
Depreciations in the year	(48,695)	(114,297)
Net financial expenses	(34,996)	(65,698)
Profit/(loss) before tax	138,982	483,736
Income tax	(95,271)	(148,861)
Post-tax profit of ongoing operations	43,711	334,875
Non-controlling interests	2,717	3,621
Year profit/loss attributable to the owners of the parent company	40,994	331,254

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

Thousands of Euros	Cash		Security		Alarms		Cybersecurity		AVOS		Not allocated to segments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Assets allocated to segments	1,396,907	1,327,538	749,597	696,302	436,950	431,304	39,311	—	71,560	—	247,420	306,143	2,941,745	2,761,287
Other non-allocated assets	—	—	—	—	—	—	—	—	—	—	874,378	1,152,207	874,378	1,152,207
Other non-current financial assets	—	—	—	—	—	—	—	—	—	—	233,128	190,845	233,128	190,845
Property investments - Non-current assets held for sale	—	—	—	—	—	—	—	—	—	—	55,345	44,351	55,345	44,351
Other current financial assets	—	—	—	—	—	—	—	—	—	—	955	150,000	955	150,000
Cash and cash equivalents	—	—	—	—	—	—	—	—	—	—	584,950	767,011	584,950	767,011
	1,396,907	1,327,538	749,597	696,302	436,950	431,304	39,311	—	71,560	—	1,121,798	1,458,350	3,816,123	3,913,494

The 'Assets assigned to the segments' heading includes investments accounted by applying the equity method (Note 16) for a total amount of EUR 265,711 thousand (EUR 268,047 thousand in 2020) which are assigned on the one hand to the Alarms segment for the amount of EUR 258,507 thousand and include the sale of 50% of Prosegur Alarmas España and the rest of the investments accounted for using the equity method are mainly assigned to the Cash segment.

The additions made in 2021 of the non-current assets assigned to the segments amount to EUR 204,010 thousand (2020: EUR 201,821 thousand), which correspond mainly to the investments made for the refurbishment of bases, facilities and armoured vehicles used in operational activities.

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

	Cash		Security		Alarms		Cybersecurity		AVOS		Not allocated to segments		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Thousands of Euros														
Liabilities allocated to segments	848,163	679,706	385,322	347,898	115,598	66,747	12,842	—	32,674	—	138,339	294,627	1,532,938	1,388,978
Other non-allocated liabilities	—	—	—	—	—	—	—	—	—	—	1,572,459	1,806,399	1,572,459	1,806,399
Bank borrowings	—	—	—	—	—	—	—	—	—	—	1,572,459	1,806,399	1,572,459	1,806,399
	848,163	679,706	385,322	347,898	115,598	66,747	12,842	—	32,674	—	1,710,798	2,101,027	3,105,397	3,195,377

11. Property, Plant and Equipment

Details and movement of property, plant and equipment are as follows:

Thousands of Euros	Land and buildings	Obtaining Cost	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Advances and work in progress	Total
Cost							
Balance at 1 January 2020	254,182	103,311	216,509	461,643	421,168	34,567	1,491,380
Translation differences	(18,137)	(9,769)	(23,453)	(51,661)	(65,627)	(7,636)	(176,283)
Business combinations (Note 30)	7,987	—	954	8,159	5,426	59	22,585
Additions	945	4,198	20,509	30,298	19,971	38,064	113,985
Disposals	(427)	—	(3,229)	(14,822)	(8,195)	(2,469)	(29,142)
Exit from the scope	—	(53,022)	(1,786)	(52,196)	(14,807)	(453)	(122,264)
Transfers	(7,054)	—	3,627	10,387	12,945	(31,499)	(11,594)
Balance at 31 December 2020	237,496	44,718	213,131	391,808	370,881	30,633	1,288,667
Translation differences	12,466	5,548	4,172	22,621	18,701	(1,497)	62,011
Business combinations (Note 30)	1,411	—	—	1,977	940	—	4,328
Additions	5,485	4,509	17,633	24,700	14,522	29,742	96,591
Disposals	(2,923)	—	(6,960)	(17,806)	(8,884)	(1,476)	(38,049)
Exit from the scope	—	—	—	(2)	(451)	—	(453)
Transfers	966	—	8,653	11,622	8,779	(29,584)	436
Balance at 31 December 2021	254,901	54,775	236,629	434,920	404,488	27,818	1,413,531

Thousands of Euros

	Land and buildings	Obtaining Costs	Technical installations and machinery	Other installations and furniture	Other property, plant and equipment	Advances and work in progress	Total
Depreciation and impairment losses							
Balance at 1 January 2020	(61,687)	(45,433)	(103,708)	(278,574)	(285,551)	—	(774,953)
Translation differences	3,622	5,677	10,289	30,269	40,754	—	90,611
Disposals	182	—	534	6,629	4,463	—	11,808
Transfers	5,570	—	319	(1,117)	794	—	5,566
Exit from the scope	—	23,999	1,143	39,780	13,318	—	78,240
Depreciation and amortisation for the year	(4,013)	(8,912)	(17,059)	(39,070)	(27,881)	—	(96,935)
Provision for impairment losses recognised in profit/(loss) (Note 6)	—	—	—	—	(6,108)	—	(6,108)
Balance at 31 December 2020	(56,326)	(24,669)	(108,482)	(242,083)	(260,211)	—	(691,771)
Translation differences	(2,058)	(3,703)	(1,737)	(12,914)	(11,025)	—	(31,437)
Disposals	320	—	4,412	12,909	7,052	—	24,693
Transfers	1,236	—	494	(1,343)	(460)	—	(73)
Exit from the scope	—	—	—	2	255	—	257
Depreciation and amortisation for the year	(3,481)	(7,045)	(19,149)	(40,096)	(29,013)	—	(98,784)
Provision for impairment losses recognised in profit/(loss) (Note 6)	—	—	—	—	(140)	—	(140)
Balance at 31 December 2021	(60,309)	(35,417)	(124,462)	(283,525)	(293,542)	—	(797,255)
Carrying amount							
At 1 January 2020	192,495	57,878	112,801	183,069	135,617	34,567	716,427
At 31 December 2020	181,170	20,049	104,649	149,725	110,670	30,633	596,896
At 1 January 2021	181,170	20,049	104,649	149,725	110,670	30,633	596,896
At 31 December 2021	194,592	19,358	112,167	151,395	110,946	27,818	616,276

The additions to property, plant and equipment in 2021 amount to EUR 96,591 thousand (2020: EUR 113,985 thousand) and mainly comprise cash automation equipment “Cash Today” fitted to client premises and to fitting-out work on bases, facilities and armoured vehicles intended for use in operating activities. These investments were essentially made in Germany, Argentina, Australia, Brazil, Colombia, Spain and Portugal.

As a result of the application of the IAS 29 for Argentina in 2020, after the interpretation issued by the expert committee of international financial information standards, the Group has adopted the accounting policy of recording changes in equity, associated with the currency effect and the inflation effect, under the heading Translation differences as a whole. The devaluation of the Argentine peso had a smaller effect than inflation in 2021 (the devaluation of the Argentine peso had a greater effect than inflation in 2020). In the 2020 financial year, the conversion differences heading also included the devaluation of the Brazilian real and the US dollar.

Under the heading of advances and work in progress at the end of the 2021 financial year, constructions are included, mainly in Brazil, Peru and The Philippines, for a total amount of EUR 4,529 thousand (2020: EUR 6,254 thousand); refurbishment works, mainly in Australia and Portugal for a total amount of EUR 5,165 thousand (2020: EUR 3,348 thousand); banknote counting machinery, mainly in Brazil. Chile, Colombia, Spain and Peru for a total amount of EUR 14,914 thousand (2020: EUR 11,620 thousand) and advances of armoured vehicles, mainly in Brazil for a total amount of EUR 309 thousand (2020: EUR 4,446 thousand). The date anticipated for concluding the above work on fixed assets is expected to be within the first six months of 2022.

Under the heading of property, plant and equipment, since 1 January 2018, following the adoption of IFRS 15 on recognising revenue from contracts with clients, Prosegur recognises the incremental costs of obtaining contracts with clients, mainly regarding the Alarm business (Note 35.21). The incremental costs of obtaining contracts with clients generally arise from sales commissions for sales staff work. At 31 December 2021, the additions recorded for this item amounted to EUR 4,509 thousand (2020: EUR 4,198 thousand).

No assets are subject to restrictions on title or pledged as security for particular transactions at 31 December 2021 and 2020.

Commitments for the acquisition of property, plant and equipment are detailed in Note 29.

Prosegur’s policy is to take out insurance policies to cover any possible risks of damage to its property, plant and equipment. At the close of 2021 and 2020 there was no hedge shortfall whatsoever regarding such risks.

Property, plant and equipment are measured at historical cost, with the exception of the Hospitalet building in Barcelona, which was measured at market value on first-time adoption of IFRS-EU and the property, plant and equipment denominated in Argentine Pesos subject to IAS 29. The effect of this reappraisal of the Hospitalet building in Barcelona, that reflects the attributed cost, is as follows:

	Thousands of Euros	
	2021	2020
Cost	12,344	12,344
Accumulated amortisation	(6,339)	(6,339)
Carrying amount	6,005	6,005

Other installations and furniture includes installations, mainly of alarms, let by Prosegur to third parties under operating leases, with the following carrying amounts:

	Thousands of Euros	
	2021	2020
Cost	152,733	112,235
Accumulated amortisation	(100,305)	(58,462)
Carrying amount	52,428	53,773

12. Rights of use and lease liabilities

The breakdown of changes in right of use assets is as follows:

	Thousands of Euros	
	2021	2020
Cost		
Balance at 1 January	139,298	159,382
Additions	56,592	28,972
Business combinations (Note 30)	3	108
Exits from the scope	(4,032)	(11,380)
Disposals and transfers	(2,688)	(23,682)
Translation differences	(1,432)	(14,102)
Balance at 31 December	187,741	139,298
Accumulated amortisation		
Balance at 1 January	(56,395)	(38,863)
Exits from the scope	3,397	2,718
Provisions charged against the income statement	(41,141)	(37,635)
Translation differences	(411)	2,551
Disposals and transfers	39	14,834
Balance at 31 December	(94,511)	(56,395)
Net balance		
At 1 January	82,903	120,519
At 31 December	93,230	82,903

Of the total amount of rights of use as of 31 December 2021, EUR 78,689 thousand correspond to buildings, EUR 12,422 thousand to vehicles and EUR 2,119 thousand to machinery (in 2020, EUR 57,962 thousand correspond to buildings, EUR 23,821 thousand to vehicles and EUR 1,120 thousand to machinery).

With regard to lease contracts, Prosegur has a dispersed portfolio. The average duration of property lease contracts is 5 years, and 3 years for vehicles.

The right of use has been defined according to the binding duration of the contract in force for each asset.

Details of movement in lease liabilities are as follows:

	Thousands of Euros	
	2021	2020
Liabilities		
Balance at 1 January	92,516	132,021
Additions	56,838	28,972
Business combinations (Note 30)	3	108
Disposals and transfers	(51,593)	(54,166)
Financial expenses (Note 7)	5,162	5,178
Translation differences	(187)	(10,556)
Exits from the scope	(674)	(9,041)
Balance at 31 January	102,065	92,516

The analysis of the contractual maturity date of the lease liabilities, including future interest to be paid, is as follows:

Thousands of Euros	6 months or less	6 months to 1 year	1-2 years	2-5 years	More than 5 years
Right of use liabilities	17,658	12,422	19,711	38,256	14,018
	17,658	12,422	19,711	38,256	14,018

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

	Average rate		
	1 to 3 years	3 to 5 years	5 to 10 years
Germany	0.91 %	1.20 %	1.61 %
Brazil	7.06 %	8.92 %	9.77 %
Peru	3.26 %	4.08 %	5.06 %
Argentina	37.87 %	37.63 %	36.34 %
Colombia	5.54 %	6.45 %	7.85 %
Chile	3.60 %	4.40 %	5.08 %
Spain	0.86 %	1.11 %	1.58 %

As indicated in Note 35.7 the Group has chosen to not recognise in the balance sheet the lease liabilities and the right of use corresponding to short-term lease contracts (leases for one year or less) and leases for low value assets (USD 5 thousand or less). Those exceptions have been recorded entirely under the heading on operating leases. The total lease expense not subject to IFRS 16 for term as well as amount came to EUR 28,491 thousand (Note 4) (EUR 34,499 thousand in 2020).

13. Goodwill

Details of movement in goodwill are as follows:

	Thousands of Euros	
	2021	2020
Balance at 1 January	590,672	634,027
Business combinations (Note 30)	30,930	64,281
Additions	2,401	1,742
Provision for impairment losses recognised in profit/(loss) (Note 6)	(18,106)	(61,761)
Translation differences	23,011	(47,617)
Balance at 31 December	628,908	590,672

Additions to goodwill in 2021 and 2020 derive from the following business combinations:

	2021
	Thousands of Euros
Cash business combinations in LatAm	25,183
Security Business combinations in ROW	934
AVOS business combinations in LatAm	4,813
	30,930

	Thousands of Euros
	2020
Cash business combinations in LatAm	59,932
Cash business combinations in Europe	3,018
Cash business combinations in ROW	108
Security business combinations in Europe	1,223
	64,281

Calculations relating to business combinations may be adjusted for up to a year from the acquisition date, which are fully consolidated as a whole.

Additions recorded in 2021 correspond to the adjustments in the value of goodwill associated with a combination of Cash business in Europe as a result of reassessing the contingent postponed payment of the reasonable values of the identifiable net assets and the adjustments made to the value of goodwill associated with a combination of Security business in ROW as a result of reassessing the deferred contingent consideration:

	2021
	Thousands of Euros
Cash business combinations in Europe	2,311
Security business combinations in Europe	90
	2,401

The additions recorded in 2020 correspond to the adjustments made in the value of the goodwill associated with a Cash business combination in Europe due to reassessing the corresponding deferred contingent consideration

	2020
	Thousands of Euros
Cash business combinations in Europe	1,742
	1,742

Details of the estimated goodwill in the tables above are provided in Note 30.

Impairment testing of goodwill impairment

Goodwill has been allocated to Prosegur's cash-generating units (CGU) in accordance with their respective country of operation and activity. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to those CGU that are expected to benefit from the business combination from which the goodwill arose.

The nature of the assets included for establishing the carrying amount of a CGU are: Property, Plant and Equipment, Goodwill, Other Intangible Assets and Working Capital (Note 35.10).

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

	Thousands of Euros				
	2021				
	Cash	Security	Alarms	Cybersecurity	AVOS
CGU Spain	6,572	92,771	—	663	20,641
CGU France	—	—	—	—	—
CGU Portugal	5,730	1,484	6,189	1,066	—
CGU Germany	35,985	—	—	—	—
CGU United Kingdom	—	—	—	1,757	—
CGU United States	—	28,710	—	10,669	—
CGU Australia	—	—	—	—	—
CGU Singapore	—	9,562	—	—	—
CGU China	—	—	—	—	—
CGU Indonesia	3,578	—	—	—	—
CGU Philippines	12,874	—	—	—	—
CGU South Africa	—	—	3,306	—	—
CGU Brazil	118,496	8,870	—	9,282	—
CGU Chile	35,586	—	—	—	4,813
CGU Peru	30,595	6,718	8,175	—	—
CGU Argentina	53,430	18,707	—	—	—
CGU Colombia	19,879	—	359	—	—
CGU Ecuador	21,401	—	—	—	—
CGU Uruguay	32,214	—	6,025	—	—
CGU rest of LatAm	12,701	—	100	—	—
Total	389,041	166,822	24,154	23,437	25,454

	2020			
	Cash	Security	Alarms	Cybersecurity
CGU Spain	24,903	92,680	—	663
CGU France	—	—	—	—
CGU Portugal	5,730	1,484	6,189	1,066
CGU Germany	35,985	—	—	—
CGU United Kingdom	—	—	—	1,106
CGU United States	—	25,710	—	7,076
CGU Australia	17,759	—	—	—
CGU Singapore	—	9,002	—	—
CGU China	—	—	—	—
CGU Indonesia	3,341	—	—	—
CGU Philippines	12,680	—	—	—
CGU South Africa	—	—	3,313	—
CGU Brazil	117,781	8,411	—	9,189
CGU Chile	35,586	—	—	—
CGU Peru	30,764	6,840	8,325	—
CGU Argentina	49,737	10,383	—	—
CGU Colombia	21,282	—	359	—
CGU Ecuador	19,753	—	—	—
CGU rest of LatAm	17,605	231	5,739	—
Total	392,906	154,741	23,925	19,100

In the detail of the allocation of goodwill at the level of the CGUs grouped by activity and by country for the year 2021, the amounts corresponding to AVOS are shown separately, because, as detailed in Note 10, as a consequence of the purchase by Prosegur Compañía de Seguridad, S.A. of its subsidiary Prosegur Cash, S.A., the value-added process and service outsourcing activity line ceases to be part of the CASH segment on 31 March 2021 and is constituted as a new segment of the Group called AVOS (Added Value Outsourcing Services). In the 2020 financial year, the amounts corresponding to AVOS were included in CASH.

As a result of the reorganisation deriving from the purchase of AVOS and the creation of a new segment, the Group distributed AVOS goodwill, previously part of Cash, on the basis of values associated with the acquired businesses and companies, all on recent dates, which gave rise to that goodwill.

Prosegur tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in Note 35.10.

The recoverable amount of a CGU is determined based on two different calculation methods, depending on the type of business. The alarm business is calculated for its fair value and the Cash, Security, Cybersecurity and AVOS business for their value in use.

Value in use as a method for calculation:

The key operating assumptions used to calculate value in use for the various CGUs are based on Prosegur Group budgets for the following year and the strategic plan for subsequent years. Both the budget and the plan are approved by Management and calculated on the basis of past years' experience, adjusting for any deviations in previous years. The current Strategic Plan covers 2021 to 2023 period. Projections of both gross margin and sales, on which the calculation of value in use are based, are drawn up in accordance with each country's macroeconomic growth and the efficiency plans defined to optimise profit. Cash flows are discounted using a discount rate based on the weighted average cost of capital (WACC). The residual value of each CGU is generally calculated as perpetual income.

During the 2021 financial year, several areas where the Group operates recovered pre-COVID business volumes, although others are progressing more slowly as a result of partial lockdowns and delays in vaccination processes. In this sense, the estimated flows for the 2022 and subsequent years take into account the gradual recovery of volumes that occurred in 2021 and the macroeconomic indicators, which reflect the realities of the different countries in which the Group is present.

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

- Revenue: the turnover for the projected period is estimated based on the business plans prepared by the Management. The perpetual figure is calculated based on long-term inflation estimates for each country.
- Gross Profit/(Loss): based on efficiency plans defined by the Company, mainly the optimisation of client portfolios, using a method of cost-benefit analysis aimed at establishing threshold margins under which it is not considered viable to establish a business relationship with those clients. The Gross Margin is calculated as the Group's total sales revenue less cost of sales, divided by total sales revenue, expressed as a percentage.
- EBITDA: based on the average optimisation costs obtained in the past. It is calculated using the Group's net profit, before deducting interest, tax, depreciation and amortisation.
- CAPEX: based primarily on plans to renew the fleet in accordance with its age and the armoured bases.
- Working capital: based on optimising DSO or average collection period for receivables. The projection is based on sales growth, in accordance with the DSO determined.
- Tax: Tax estimates are calculated in accordance with the effective tax rate in each country and the expected profit/(loss) therein.

The macroeconomic estimates used are obtained from external information sources.

Details of the key assumptions relating to the most significant CGU are as follows:

31 December 2021

	Spain	United States	Germany	Australia	Chile	Brazil	Colombia	Peru	Argentina
Growth rate	1.70%	2.34%	2.03%	2.42%	3.00%	3.06%	3.01%	2.02%	15.00%
Discount rate	6.35%	7.28%	6.02%	9.55%	9.04%	11.10%	10.18%	8.56%	30.79%

31 December 2020

	Spain	United States	Germany	Australia	Chile	Brazil	Colombia	Peru	Argentina
Growth rate	1.69 %	2.22 %	1.97 %	2.42 %	3.00 %	3.25 %	2.91 %	2.00 %	15.00 %
Discount rate	6.04 %	6.64 %	5.74 %	7.20 %	8.21 %	9.25 %	9.21 %	7.85 %	29.93 %

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

The same discount rates per country are used for Cash, Security, Cybersecurity and AVOS because the effect of calculating the discount rates per country for each of the business separately is not significant.

Financial year 2021

As a result of the impairment tests carried out in 2021, the recoverable values calculated according to the previous methodology were higher than the net carrying amount, except for:

CGU Australia CASH: the complex market conditions that Australia has been experiencing in recent years continue to have a negative impact on business, aggravated by COVID and a general price drop in the sector.

During the 2021 financial year, while the volumes follow a positive trend of improvement, they fail to reach the levels necessary to recover the value in use of the assets.

As a result, an impairment of EUR 18,106 thousand was recorded for goodwill.

Financial year 2020

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

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

As a result, an impairment of EUR 9,658 thousand was recorded for intangible assets associated with client portfolios that Prosegur no longer provides service to, and an impairment of EUR 17,342 thousand corresponding to goodwill (Note 14).

CGU France Security: During the first half of the 2020 financial year, an agreement was reached with Fiducial for the sale of the Security business in France. The aforementioned agreement valued the Security business in France at EUR 1 after considering the impact of COVID-19 on its valuation. As a result, an impairment of EUR 22,849 thousand was recorded for goodwill, an impairment of EUR 4,159 thousand for intangible assets and an impairment of EUR 1,591 thousand for property, plant and equipment.

CGU Colombia Security: In Colombia, the weight of the activities of surveillance and protection of establishments, goods and people is much greater in percentage terms than that of the activities related to technological security solutions, the Gross Margin associated with traditional surveillance activities being smaller than the Gross Margin of the activities related to technology. In these, the capacity for differentiation is much greater, which allows greater client loyalty in the medium term, and higher margins. The 2021-2023 Plan approved by the Management focuses on the growth of technological security solutions over traditional surveillance. In Colombia, given Prosegur's worst positioning in the Technology business compared to other Group countries, the estimated growth rates were lower.

In Colombia, traditional surveillance is also regulated by the Superintendency of Private Surveillance that regulates the prices of the sector, so Prosegur's ability to improve margins is much more limited than in the rest of the countries in which Prosegur operates. Additionally, the concentration of clients in Colombia is also higher than the rest of the countries in which Prosegur operates, having lost significant clients in 2020.

Finally, COVID-19 caused a downward revision of the short-term estimates.

As a consequence, an impairment for the amount of EUR 18,705 thousand was recorded for goodwill and an impairment for EUR 4,517 thousand for property, plant and equipment.

CGU Chile Security: In Chile, as in Colombia, the weight of activities for the surveillance and protection of establishments, goods and people is much greater in percentage terms than that of activities related to technological security solutions. In Chile, as in Colombia, Prosegur's positioning in the Technology business is very residual and the historical returns achieved have been very low, so the estimated growth of the Technology business in the 2021-2023 Plan was lower. Similarly, COVID-19 had a negative effect on the short-term estimates made in the country.

As a result, an impairment of EUR 3,482 thousand was recorded for goodwill.

CGU China Security: In China, a significant volume of client billing was lost in 2020 which, added to the fact that traditional surveillance accounts for practically all of the business in the country and the short-term effects of COVID-19, recorded an impairment for EUR 90 thousand corresponding to goodwill and an impairment for EUR 6,348 thousand in intangible assets.

Along with impairment testing, Prosegur has also performed a sensitivity analysis on the goodwill allocated to the main CGU, for the purposes of the key assumptions.

The sensitivity analysis on EBITDA consists of determining the turning point which would lead to an impairment loss. Accordingly, hypotheses are evaluated until the figures that imply an impairment to be recognised in the financial statements are reached. The percentage represents the amount by which EBITDA of the projected securities including the terminal value would have to diminish in order for the CGU to be impaired, maintaining the other variable constant.

The sensitivity analysis performed on the growth rate consists of determining the weighted average growth/deceleration rate (used to extrapolate cash flows beyond the budget period) from which impairment losses would be incurred by each of the most representative CGUs.

In addition, the sensitivity analysis made on the discount rate consists of determining the basis of which weighted average discount rate used for extrapolating cash flows would incur impairment losses for each of the most representative CGUs.

Details of the thresholds for discount rates, the growth/deceleration(-) rates and EBITDA, taken independently, above which impairment losses would arise, maintaining the other variables constant, are as follows:

Cash	2021		
	Discount rate	Growth rate	EBITDA
Brazil	15.72 %	-6.97 %	-16.30 %
Argentina	100.00 %	-100.00 %	-46.19 %
Spain	17.73 %	-44.30 %	-28.43 %
Colombia	12.32 %	-0.62 %	-10.00 %
Peru	40.10 %	-100.00 %	-52.26 %
Chile	12.98 %	-3.91 %	-18.73 %
Germany	16.89 %	-62.89 %	-33.74 %
Australia	6.52 %	2.42 %	-0.01 %

Security	2021		
	Discount rate	Growth rate	EBITDA
Argentina	39.36 %	-3.18 %	-18.45 %
Spain	12.28 %	-24.83 %	-30.58 %
Brazil	39.32 %	-100.00 %	-46.75 %
Peru	16.76 %	-25.09 %	-39.68 %
United States	9.74 %	-3.53 %	-19.50 %

Cybersecurity	2021		
	Discount rate	Growth rate	EBITDA
Brazil	15.48 %	-5.09 %	-9.35 %
United States	8.18 %	1.11 %	-21.29 %

Cash	2020		
	Discount rate	Growth rate	EBITDA
Brazil	14.55 %	-4.91 %	-22.66 %
Argentina	93.66 %	-100.00 %	-57.82 %
Spain	19.98 %	-44.35 %	-39.96 %
Colombia	9.82 %	2.38 %	-3.09 %
Peru	29.84 %	-100.00 %	-46.95 %
Chile	12.00 %	-1.09 %	-19.68 %
Germany	15.25 %	-43.10 %	-36.95 %
Australia	6.17 %	3.86 %	10.13 %

Security	2020		
	Discount rate	Growth rate	EBITDA
Argentina	44.40 %	-33.87 %	-41.10 %
Spain	11.78 %	-23.68 %	-33.86 %
Brazil	25.56 %	-100.00 %	-47.22 %
Peru	15.17 %	-14.65 %	-39.20 %
United States	15.71 %	-47.53 %	-42.41 %

Cybersecurity	2020		
	Discount rate	Growth rate	EBITDA
Brazil	15.37 %	-8.49 %	-31.77 %
United States	9.90 %	-2.58 %	-24.49 %

Discount rates greater than the % indicated in the table would give rise to impairment losses, and growth rates or EBITDA lower than the % indicated in the table would also give rise to impairment losses. The Group considers that none of these scenarios are reasonably possible.

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

Fair value as a calculation method:

With regard to the Alarms CGU, given the type of business, in which growth is based on the increase in costs for gaining clients and that contracts are for a defined term, Prosegur did not consider it reasonable to calculate the value in use based on permanence and opted to use fair value, which is common in this type of business.

For analysing the impairment of the Alarms CGU, its fair value was used as the basis for the recoverable value, which has been estimated according to the market multiples for the last transactions observed (level 3). The multiple used is 45 times the recurring monthly income per connection.

At 31 December 2021 and 2020 Prosegur tested the impairment from the aspect of the Alarms CGUs grouped per activity and country, concluding that there is no impairment loss.

14. Other intangible assets

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

Thousands of Euros	Computer software	Client portfolios	Trademarks and licences	Other intangible assets	Total
Cost					
Balance at 1 January 2020	171,954	475,744	39,897	35,796	723,391
Translation differences	(13,726)	(82,975)	(5,602)	(2,751)	(105,054)
Business combinations (Note 30)	36	40,593	517	7,150	48,296
Exit from the scope	(7,224)	(9,985)	—	—	(17,209)
Additions	29,242	716	—	438	30,396
Disposals	(19,807)	(205)	(367)	(544)	(20,923)
Balance at 31 December 2020	160,475	423,888	34,445	40,089	658,897
Translation differences	7,429	11,373	2,251	970	22,023
Business combinations (Note 30)	6,197	26,499	16,536	204	49,436
Additions	47,545	—	—	—	47,545
Disposals	(1,171)	—	—	—	(1,171)
Balance at 31 December 2021	220,475	461,760	53,232	41,263	776,730
Depreciation and impairment losses					
Balance at 1 January 2020	(112,848)	(209,038)	(23,893)	(27,689)	(373,468)
Translation differences	9,818	35,166	5,882	1,782	52,648
Disposals	16,209	42	367	330	16,948
Exit from the scope	5,728	9,985	—	—	15,713
Provision for impairment losses recognised in profit/(loss) (Note 6)	(4,159)	(15,158)	(6,348)	—	(25,665)
Depreciation and amortisation for the year	(18,432)	(27,947)	(1,364)	(1,719)	(49,462)
Balance at 31 December 2020	(103,684)	(206,950)	(25,356)	(27,296)	(363,286)
Translation differences	(3,992)	(3,081)	(1,979)	(745)	(9,797)
Disposals	662	—	—	—	662
Depreciation and amortisation for the year	(22,032)	(27,232)	(1,237)	(2,121)	(52,622)
Balance at 31 December 2021	(129,046)	(237,263)	(28,572)	(30,162)	(425,043)
Carrying amount					
At 01 January 2020	59,106	266,706	16,004	8,107	349,923
At 31 December 2020	56,791	216,938	9,089	12,793	295,611
At 01 January 2021	56,791	216,938	9,089	12,793	295,611
At 31 December 2021	91,429	224,497	24,660	11,101	351,687

The carrying amount at 31 December 2021 of individually significant client portfolios and their remaining useful lives are as follows:

	Segment	Country	2021			Remaining useful lives
			Cost	Depreciation and impairment losses	Carrying amount	
Nordeste Group Large Clients Portfolio	Sundry	Brazil	57,396	(31,355)	26,041	8 years and 2 months
Norsegel Vigilancia y Transporte de Valores LTDA Large Clients Portfolio	Sundry	Brazil	17,289	(13,741)	3,548	4 years
Preserve y Transpev Large Clients Portfolio	Cash	Brazil	13,213	(11,716)	1,497	1 year and 5 months
Portfolio of the 5 Main Clients of Chubb Security Services PTY LTD	Cash	Australia	12,744	(10,281)	2,463	11 years
Cash LatAm portfolio 2021	Cash	Uruguay	16,751	(698)	16,053	13 years and 5 months
AVOS LatAm portfolio 2021	AVOS	Chile	5,151	—	5,151	12 years
Portfolio of the Remaining Clients of Chubb Security Services PTY LTD	Cash	Australia	18,828	(12,843)	5,985	11 years
Portfolio of business combinations Prosegur Cash 2017	Cash	Sundry	2,373	(791)	1,582	14 years and 8 months
Contesta Group portfolio	Cash	Spain	9,812	(3,692)	6,120	9 years and 8 months
Business combinations portfolio Cash LatAm 2018	Cash	Sundry	11,966	(3,405)	8,561	Sundry
Cash business combinations in ROW 2018 portfolio	Cash	The Philippines	6,222	(1,330)	4,892	10 years and 6 months
Cash business combinations in Europe 2019 portfolio	Cash	Sundry	10,598	(1,577)	9,021	12 years and 11 months
Security business combinations in ROW 2018 portfolio	Security	United States	6,650	(948)	5,702	19 years and 9 months
Security business combinations in ROW 2019 portfolio	Security	United States	19,089	(2,479)	16,610	Sundry
Business combinations portfolio Cash LatAm 2019	Cash	Sundry	25,481	(5,882)	19,599	Sundry
Alarms business combinations in LatAm 2019 Portfolio	Alarms	Colombia	4,568	(1,189)	3,379	5 years and 11 months
Cash business combinations in LatAm 2020 Portfolio	Cash	Ecuador	13,570	(1,857)	11,713	13 years and 1 month
Cybersecurity business combinations in LatAm 2019 Portfolio	Security	Brazil	4,591	(1,913)	2,678	4 years and 1 months
Transbank Client portfolio	Sundry	Brazil	5,021	(3,045)	1,976	4 years and 2 months
Nordeste Group Sergipe Clients portfolio	Sundry	Brazil	4,780	(4,042)	738	2 months
Fiel Large Clients portfolio	Sundry	Brazil	4,784	(2,411)	2,373	3 years
Nordeste Group Bahia Other Clients portfolio	Sundry	Brazil	3,735	(2,632)	1,103	2 years and 2 months
			274,612	(117,827)	156,785	

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

	Segment	Country	2020		Carrying amount	Remaining useful lives
			Cost	Depreciation and impairment losses		
Nordeste Group Large Clients Portfolio	Sundry	Brazil	56,612	(27,886)	28,726	9 years and 2 months
Norsegel Vigilancia y Transporte de Valores LTDA Large Clients Portfolio	Sundry	Brazil	17,246	(12,021)	5,225	5 years
Preserve y Transpev Large Clients Portfolio	Cash	Brazil	13,082	(10,826)	2,256	2 years and 5 months
Portfolio of the 5 Main Clients of Chubb Security Services PTY LTD	Cash	Australia	12,518	(9,441)	3,077	12 years
Portfolio of the Remaining Clients of Chubb Security Services PTY LTD	Cash	Australia	18,495	(11,643)	6,852	12 years
Portfolio of business combinations Prosegur Cash 2017	Cash	Sundry	2,312	(578)	1,734	15 years and 8 months
Contesta Group portfolio	Cash	Spain	9,812	(2,290)	7,522	10 years and 8 months
Business combinations portfolio Cash LatAm 2018	Cash	Sundry	11,847	(2,248)	9,599	Sundry
Cash business combinations in ROW 2018 portfolio	Cash	The Philippines	6,127	(872)	5,255	11 years and 6 months
Cash business combinations in Europe 2019 portfolio	Cash	Sundry	10,598	(820)	9,778	13 years and 11 months
Security business combinations in ROW 2018 portfolio	Security	United States	6,138	(608)	5,530	20 years and 9 months
Security business combinations in ROW 2019 portfolio	Security	United States	16,492	(1,585)	14,907	Sundry
Business combinations portfolio Cash LatAm 2019	Cash	Sundry	25,830	(3,590)	22,240	Sundry
Cash business combinations in LatAm 2020 Portfolio	Cash	Ecuador	12,524	(820)	11,704	14 years and 1 month
Alarms business combinations in LatAm 2019 Portfolio	Alarms	Colombia	4,890	(662)	4,228	6 years and 11 months
Cybersecurity business combinations in LatAm 2019 Portfolio	Security	Brazil	4,545	(1,244)	3,301	5 years and 1 months
Transbank Client portfolio	Sundry	Brazil	4,971	(4,015)	956	5 years and 2 months
Nordeste Group Sergipe Clients portfolio	Sundry	Brazil	4,732	(4,180)	552	1 years and 2 months
Fiel Large Clients portfolio	Sundry	Brazil	4,564	(3,159)	1,405	4 years
Nordeste Group Bahia Other Clients portfolio	Sundry	Brazil	3,698	(2,722)	976	3 years and 2 months
			247,033	(101,210)	145,823	

The cost at 31 December 2021 and 2020 for each individually significant client portfolio differs due to exchange differences.

During 2021, additions to intangible assets are recognised due to the allocation of fair value to the purchase prices of the following business combinations (see Note 30):

	Thousands of Euros			
	Computer software	Client portfolios	Trademarks and licences	Other intangible assets
Cash business combinations in LatAm	6,197	19,272	15,871	—
Cash business combinations in Europe	—	100	—	204
Security Business combinations in ROW	—	1,976	—	—
AVOS business combinations in LatAm	—	5,151	665	—
	6,197	26,499	16,536	204

In 2020, additions to intangible assets were recognised due to the allocation of fair value to the purchase prices of the following business combinations:

	Thousands of Euros			
	Computer software	Client portfolios	Trademarks and licences	Other intangible assets
Cash business combinations in LatAm	33	40,121	—	—
Cash business combinations in Europe	3	—	517	3,172
Cash business combinations in ROW	—	—	—	3,978
Security business combinations in Europe	—	472	—	—
	36	40,593	517	7,150

No intangible assets are subject to restrictions on title or pledged as security for particular transactions.

The intangible assets reported have finite useful lives and are amortised at rates of between 3.70% and 50% depending on the estimated useful life. The useful life of the client portfolio and trademarks are described in Notes 30 and 35.8. The trademark arising from a Cybersecurity business combination in 2019, the trademark and web domain arising from a Cash business combination in 2020 and the trademark arising from a Cash business combination in 2021 are the only intangible assets with an indefinite useful life and amount to EUR 1,700 thousand and EUR 517 thousand and to EUR 15,871 thousand respectively as of 31 December 2021. Those intangible assets has an indefinite useful life since there is no foreseeable limit to the period during which the above mentioned assets are expected to generate net cash flows.

The factors analysed in determining the indefinite life include:

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

On the other hand, these assets are tested for impairment at the end of each reporting period.

The intangible assets are tested for impairment as described in Note 35.8. The result of the value impairment tests is detailed in Note 13.

15. Property investments

Details of movement in property investments are as follows:

	Thousands of Euros	
	2021	2020
Cost		
Balance at 1 January	54,640	48,534
Translation differences	14,195	(5,487)
Transfers	(436)	11,593
Balance at 31 December	68,399	54,640
Depreciation and impairment losses		
Balance at 1 January	(10,289)	(4,424)
Translation differences	(1,550)	499
Transfers	73	(5,566)
Depreciation and amortisation for the year	(1,288)	(798)
Balance at 31 December	(13,054)	(10,289)
Carrying amount		
At 1 January	44,351	44,110
At 31 December	55,345	44,351

Transfers in 2020 included the reclassification from tangible fixed assets in the properties that Prosegur still maintains in France after the sale of 100% of the security operations in the country and that have been rented out (Note 11).

The trademark arising from a Cybersecurity business combination in 2019, the trademark and web domain arising from a Cash business combination in 2020 and the trademark arising from a Cash business combination in 2021 are the only intangible assets with an indefinite useful life and amount to EUR 1,700 thousand and EUR 517 thousand and to EUR 15,871 thousand respectively as of 31 December 2021.

Buildings	Thousands of Euros
	Fair value
Bouchard 551	31,785
Torre Intercontinental, Moreno 845/847/87 Alsina 880 and Tacuari 242/292	30,505
	62,290

At 31 December 2021, after an appraisal was made by an independent expert, the fair value of the properties in France, was EUR 7,244 thousand.

Income and expenses generated in 2021 from real estate investments amounted to EUR 3,829 thousand (2020: EUR 5,348 thousand) and EUR 1,464 thousand (2020: EUR 724 thousand) respectively.

Future minimum receipts under property investment leases at the close of 2021 and 2020 are contained in Note 6.

16. Investments accounted for using the equity method

The main Joint Arrangements of Prosegur (Appendix II) mainly correspond to companies that operate in India dedicated to the Cash activity and since 28 February 2020 include 50% of the Prosegur Alarms business in Spain. These Joint Arrangements are structured as separate vehicles and Prosegur has a share of their net assets. Consequently, Prosegur has classified these shareholdings as Joint Ventures. In the Arrangements with India governing the Joint Ventures, Prosegur and the other investor company have agreed, if necessary, to make additional contributions in proportion to their shareholdings in order to offset any losses.

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

Thousands of Euros	2021	2020
Participation in joint ventures	265,711	268,047
	265,711	268,047

Thousands of Euros	2021	2020
Balance at 1 January	268,047	9,452
Additions/Acquisitions	1,990	261,132
Participation in profits/(losses)	(5,071)	57
Loss for impairment	—	(1,838)
Transfers	—	—
Translation differences	745	(756)
Balance at 31 December	265,711	268,047

The additions for the period correspond mainly to several capital increases in the company Dinero Gelt S.L. in April 2021 and November 2021 and the creation of a joint venture for carrying out cash-in-transit through UAVs (unmanned aerial vehicles) in Brazil from base to base in June 2021.

In addition, the company Zerius Europe, S.L., in which Prosegur holds a 49% stake, was incorporated in Spain in June 2021 in order to continue expanding its integrated solutions business for ATMs in LatAm.

On 30 July 2021 Prosegur sold 100% of the company Prosegur Soluciones S.A. to Movistar Prosegur Alarmas España, a company in which Prosegur has a 50% holding. Prosegur Soluciones S.A. is mainly engaged in marketing the services of Movistar Prosegur Alarmas España and managing the closing of the corresponding contract with end clients of Movistar Prosegur Alarmas España on behalf of the latter, through the Door to Door channel under the marketing contract signed between both parties.

The total purchase price was set at EUR 19,510 thousand and was calculated as the sum of the amount of commissions due and not paid under the marketing contract signed between them up until 31 July 2021 plus the amount of the fees due and not paid under the Call Center service contract up until 31 July 2021 plus/minus the net financial debt as at 31 July 2021 less 50% of the value of the Items Payable of Prosegur Soluciones S.A. at 31 July 2021

The cash and cash equivalents that were sold with the company amounted to EUR 385 thousand.

The net assets of the company at the time of sale amounted to EUR 17,023 thousand. The sale entailed income for Prosegur of EUR 2,487 thousand included under the heading Other income.

Once the pertinent regulatory approvals had been obtained, Prosegur sold on February 28, 2020, 50% of Prosegur's Alarms business in Spain to the Telefónica Group for a final price of 305,345 thousand euros.

The entire price was paid through the delivery of 49,545,262 shares of Telefónica, S.A. Prosegur agreed to accept certain restrictions on the transferability of the aforementioned Telefónica shares in the first nine months from the close of the transaction. The fair value of Telefónica S.A.'s shares on the date on which the transaction was concluded amounted to EUR 261,400 thousand. After calculating the standard adjustment in this type of transactions on debt, working capital and existing clients, Prosegur paid the Telefónica Group an amount of EUR 268 thousand.

This means that the remaining 50% share hold by Prosegur in Prosegur Alarmas España is recognised as a result of the sale initially at fair value and is accounted for using the equity method as of 28 February 2020, as the relevant decisions were no longer adopted unilaterally by Prosegur. To do this, Prosegur derecognised the assets and liabilities that Prosegur Alarmas España contributed at that date.

The main impacts on the balance sheet at the end of February 2020 due to the loss of control were as follows:

	Thousands of Euros
	28 February 2020
Property, plant and equipment (Note 11)	(37,754)
Rights of use (Note 12)	(1,768)
Non-current financial assets	(88)
Other intangible assets (Note 14)	(1,244)
Deferred tax assets	(1,684)
Inventories	(7,281)
Receivables	(14,850)
Cash and cash equivalents	(2,259)
	(66,928)
	Thousands of Euros
	28 February 2020
Long-term lease liabilities (Note 12)	610
Short-term lease liabilities (Note 12)	1,132
Non-current provisions (Note 23)	2,252
Current tax liabilities	1,568
Trade and other payables	13,271
Other current liabilities	14,315
Other non-current liabilities	1,547
Deferred tax liabilities	7,756
	42,451

The income from the sale was recorded under the heading on other income. Prosegur Alarmas España also contributed EUR 19,141 thousand of Net Turnover at the end of February 2020.

The amount recorded as impairment losses in 2020 of EUR 1,838 thousand corresponded to the impairment of the entire stake in Scout Security Limited listed on the Australian Stock Exchange (ASX) and whose market value at year-end 2020 is close to zero.

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

Thousands of Euros	2021	2020
Rosegur Fire SRL	3	3
Rosegur Holding Corporation SL	6	6
Dinero Gelt S.L.	1,067	617
Scout Security Limited	—	—
Movistar Prosegur Alarmas, S.L.	258,507	262,253
SIS Cash Services Private Limited	2,435	2,063
SIS Prosegur Holdings Private Limited	3,001	3,038
Tidian Europe S.L.	575	—
Others	117	67
Balance at 31 December	265,711	268,047

The breakdown of the main amounts of investments accounted for under the equity method is included in Appendix III.

Prosegur has no significant contingent liability commitments in any of the joint ventures accounted for under the equity method.

17. Temporary Joint Ventures

Prosegur participates in joint operations which take the form of Temporary Joint Ventures (JVs), in which the companies lack any legal status of their own and in which a system of cooperation between the companies is established for an agreed period, either definite or indefinite, in order to implement or execute a job or service (Note 35.2).

They are usually used to combine the characteristics and rights of JVs in pursuit of a common goal with the aim of achieving the best possible technical value. In general, JVs are considered to be independent companies with a limited scope of action given that, despite the fact that they may make undertakings on their own behalf such undertakings tend to be carried out through the partners in a manner proportionate to their interest in the JV. As a result, Prosegur considers JVs to be a joint operation.

The amounts presented in the table below represent Prosegur's share of the temporary JVs' assets, liabilities, sales and profit/(loss) for the year. These amounts have been included in the statement of financial position and the income statements for the financial years ended 31 December 2021 and 2020.

	Thousands of Euros	
	2021	2020
Assets:		
Non-current assets	316	400
Current assets	14,110	15,639
	14,426	16,039
Liabilities:		
Current liabilities	14,426	16,039
	14,426	16,039
Net profit/(loss):		
Income	63,057	74,787
Expense	(59,683)	(67,515)
Profit/(loss) after tax	3,374	7,272

The breakdown of temporary joint ventures in which Prosegur holds a stake is contained in Appendix II.

Prosegur has no contingent liabilities in relation to its participation in temporary joint ventures.

18. Non-current financial assets

Details of the statement of financial position are as follows:

	Thousands of Euros	
	2021	2020
Equity instrument	204,511	181,579
Deposits and guarantees	13,086	6,938
Other non-current financial assets	15,531	2,328
	233,128	190,845

Equity instrument

The equity instruments item mainly includes 49,545,262 shares of Telefónica, S.A. which arose as a result of the sale of 50% of the Alarms business in Spain in 2020 and which was paid through the delivery of the aforementioned shares.

The Telefónica, S.A. shares have been classified in the category of equity instruments at fair value with changes in other comprehensive income, because they are not held for mere trading purposes. As a consequence, only the associated dividends are recognised in profit/(loss), and in their sale, the amounts recognised to date in equity will not be reclassified to profit/(loss). They have also been classified in Level 1 of the levels of the fair value hierarchy since the valuation is performed by directly using the actual quotation price of the equity instrument, which can be observed and taken from independent sources, and referred to an active market.

As of 31 December 2021, the stake in Telefónica, S.A. is valued at EUR 190,749 thousand and represents a 0.86% stake in its capital stock (as of 31 December 2020 it was valued at EUR 160,774 thousand and represents a 0.93% stake in its capital stock).

Equity instruments are valued at fair value with changes in other global profit and loss or at fair value with changes in the consolidated income statement according to their nature.

The breakdown of equity instruments measured at fair value with changes in other comprehensive income is as follows:

	Thousands of Euros	
	2021	2020
Octopus System Israel Ltd.	327	2,276
Capital Concil Inteligencia CSA	—	2,488
Reflekt GmbH	540	1,450
Walmeric Soluciones S.L.	—	2,000
Situm Technologies	700	700
SOSV IV GP LLC	1,020	1,175
Adara	970	1,118
ForgePoint Cybersecurity Fund	2,361	3,053
Denexus	664	—
Blumeran	994	—
Telefónica S.A.	190,749	160,774
Other Investments	919	1,438
Balance at 31 December	199,244	176,473

Octopus System Israel Ltd is an Israeli start-up which has developed Command and Control software which manages the alerts and action procedures of any workforce on a single mobile platform. The example of its use which is closest to the business activities of Prosegur Seguridad lies in managing the sensor alerts (both physical and digital) of a complete security system in a large plant and also the action procedures for specific situations or the communications channels of geolocated human resources in the field. Octopus System Israel Ltd is a clear example of integrating the physical and digital worlds into the security environment.

Capital Concil Inteligencia CSA is a Brazilian start-up within the Fintech framework, which offers a solution for conciliating cash management at retail points of sale. Capital Concil Inteligencia CSA has developed software capable of collecting, processing, organizing and reconciling information on the payment transactions of all of the agents involved in processing a payment transaction (issuing bank, receivers, switches, buyers and national banking systems) and then produce a receipts and payments flow forecast at the daily cash level. Its principal connection with the commercial strategy of Prosegur resides in the possibility of offering a complete service which integrates the cash payment and safe deposit service solutions into the cash flows of each point of sale. Additionally, in the medium term, an opportunity opens up for exploiting consumption pattern data (Big Data). On 12 August 2021 the stake in Capital Concil Inteligencia CSA was sold.

Re'Flekt GmbH emerged in Germany with the aim of offering an Augmented Reality (AR) solution for industrial environments. Its two main products offer superposition of the plans of industrial plants of any type, with their operational and maintenance procedures, over the displays of viewing hardware (Mobile phone, Tablets, Smart glasses, etc.). The value it provides for its clients, which include major manufacturers in the automotive sector or in the large-scale industrial sector, lies in the fact that it produces efficiencies both in operational and maintenance procedures of any type of plant or assembly line and training for technicians, thus reducing action deadlines or, where appropriate, training. This technology can be applied to all Prosegur business.

Walmeric Soluciones, S.L. is a Spanish start-up that has developed a set of technologies to increase 'Lead Management' efficiency. The Company has developed a series of algorithms to automatically track potential clients, estimate the probability of conversion and assign the sale to the corresponding channel. It offers a cross-platform connection that integrates social networks, CRMs, call centres and Google Adwords. The main connection with Prosegur is with our AVOS equipment, where its technology is put to work to improve the conversion of our clients. On 08 July 2021 the stake in Walmeric Soluciones, S.L. was sold.

Situm Technologies came about in Spain to improve the cybersecurity of web applications and APIs. Its IAST ('Interactive Application Security Testing') and RASP ('Runtime Application Self Protection') technologies detect vulnerabilities continuously in the source code of the applications. Situm has the distinctive ability to offer protection not just from external attacks, but from internal intrusion attempts as well, which represent more than 50% of cybernetic attacks. This technology is applicable to the general protection of Prosegur clients, and specifically as a cutting-edge technology for our cybersecurity business.

Sosv IV GP, LLC is a fund focused on mega-trends, with 50% investment in hardware, 20% in life sciences and 30% in software companies (both B2B and B2C). 80% of its investments are located in China, and in general with an Asian focus.

Adara is a fund domiciled in Luxembourg but focused on investing in companies in Spain. The fund focuses on innovative digital technology companies that develop deep-tech solutions to support the digital transformation of companies and entire sectors (cybersecurity, applied AI and cloud infrastructure services) and with high growth. The purpose is to invest through, non-controlling stakes, in the capital of young, high-profile companies of rapid growth that have the potential to become major global companies.

ForgePoint Capital is a venture capital fund focused mainly on cybersecurity, which invests in transformative companies that protect the digital world. With offices in San Francisco Bay, the firm is one of the most active investors in early-stage and growth cybersecurity start-ups. Its main investment focus is the United States.

In 2021 these investments had a positive impact on other comprehensive income of EUR 26,666 thousand (EUR 101,472 thousand in 2020).

All other equity instruments were appraised at fair value at EUR 5,267 thousand with changes in the consolidated income statement, there being no impact on the income statement in 2021 (there was no impact in the 2020 consolidated income statement) (Note 7).

Other non-current financial assets

Details of other non-current financial assets movement are as follows:

	Thousands of Euros	
	2021	2020
Balance at 1 January	2,328	3,193
Additions	12,603	—
Disposals	—	(690)
Translation differences	600	(175)
Balance at 31 December	15,531	2,328

At 31 December 2021, other non-current assets mainly included:

- Two loans granted for a total amount of EUR 2,331 thousand signed in February and May 2017, maturing in six years (2020: EUR 2,190 thousand) (Note 28) to the Indian company SIS Cash Services Private, Ltd., consolidated using the equity method (Note 31).
- Loan in an amount of GBP 3,700 (exchange value at 31 December 2021: EUR 4,431 thousand), maturing in June 2023 to Change Group.
- Loans granted to two external investors related to Group subsidiaries in Indonesia and The Philippines, amounting to EUR 6,154 thousand.

19. Inventories

Details of inventories are as follows:

	Thousands of Euros	
	2021	2020
Works and work in progress	11,010	6,115
Trade inventories, fuel and others	54,690	41,578
Operative material	2,267	1,806
Uniforms	6,231	5,628
Impairment of inventories	(8,847)	(8,601)
	65,351	46,526

The increase in inventory in 2021 compared to 2020 is owing to the collection of material that took place as a result of delayed deliveries associated with the COVID-19 pandemic.

No inventories have been pledged as securities for liabilities.

The changes in impairment losses are as follows:

	Thousands of Euros	
	2021	2020
Balance at 1 January	(8,601)	(8,377)
Additions	(410)	(2,536)
Applications and others	538	119
Exit from the scope	—	1,789
Translation differences	(374)	404
Balance at 31 December	(8,847)	(8,601)

20. Clients and other receivables

Details of cash and cash equivalents are as follows:

	Thousands of Euros	
	2021	2020
Clients' receivables for sales and services	625,785	602,258
Less: impairment of receivables	(40,334)	(41,198)
Clients – Net	585,451	561,060
Public Administrations	38,329	20,777
Employee prepayments	6,702	7,347
Court Deposits	20,582	23,546
Prepayments	17,388	9,305
Other receivables	64,708	53,650
current	733,160	675,685

Credit risk from trade receivables is not concentrated because Prosegur works with a large number of clients distributed among the different countries in which it operates (Note 32.1).

Details of past-due trade receivables by maturity tranches, net of the corresponding impairment, are as follows:

	Thousands of Euros	
	2021	2020
0 to 3 months	189,100	176,458
3 to 6 months	11,544	9,941
Over 6 months	42,044	48,855
	242,688	235,254

The carrying amount of past-due trade receivables is close to fair value, given the non-significant effect of the discount.

There have been no changes to the client structure or to the circumstances that make the anticipated loss differ from calculations based on historical data.

There are no reasonable doubts as to the recoverability of past-due trade receivables for which no impairment has been recognised.

Changes in the impairment of receivables are as follows:

	Thousands of Euros	
	2021	2020
Balance at 1 January	(41,198)	(57,004)
Business combination (Note 30)	(5,127)	—
Provision and reversals for impairment (Note 6)	3,576	(8,594)
Applications and reversals	1,869	12,333
Translation differences	546	12,067
Balance at 31 December	(40,334)	(41,198)

As a general rule, impaired receivables are written off when Prosegur does not expect to recover any further amount.

No impairment losses have been incurred on the remaining trade receivables.

The maximum exposure to credit risk at the reporting date is the fair value of the receivables in each of the above-mentioned categories. The Prosegur Group has taken out a credit facility with the aim of ensuring and minimising its insolvency risk. This insurance applies to clients in Spain and provides risk cover for new operations and/or expansions of services in relation to existing operations.

The procedures followed by Prosegur in relation to credit risk and currency risk on trade receivables are described in Note 32.1.

Legal deposits comprises mainly court bonds associated with employment-related litigation in Brazil (Note 23).

Under the heading of other receivables, advances from suppliers and creditors are mainly recorded for an amount of EUR 12,188 thousand (2020: EUR 9,707 thousand) and balances with other debtors amounting to EUR 30,133 thousand (2020: EUR 19,791 thousand).

The Group considers that the rest of client balances other than for the rendering of services does not pose a credit risk because these are Public Administrations or Court Deposits that are cancelled against the provision for those risks or their retrieval.

21. Other financial assets and Cash and Cash equivalents

Details of other financial assets and changes in Other financial assets during the year are as follows:

	Thousands of Euros	
	2021	2020
Balance at 1 January	150,000	319,621
Disposals	(150,000)	(170,000)
Other changes	955	379
Balance at 31 December	955	150,000

Details and the issue dates of financial assets at 31 December 2020 are as follows:

Description	Issue date	Principal	Balance at 31 December 2020
Fixed-term deposit	22 June 2017	150,000	150,000
		150,000	150,000

Details of Cash and Cash equivalents are as follows:

	Thousands of Euros	
	2021	2020
Cash in hand and at banks	475,902	670,757
Current bank deposits	109,048	96,254
	584,950	767,011

The effective interest rate on credit institutions is 7.03% (2020: 2.19%) and the average term of the deposits held during 2020 was 24 days (2020: 81 days).

22. Net Equity

Details of and changes to equity during the year are shown in the consolidated statement of changes in equity.

22.1. Share capital, share premium and own shares

Details of share capital, share premium and own shares, and changes therein, are as follows:

	Thousands	Thousands of Euros			Total
	No. shares	Share capital	Share premium	Own shares	
Balance at 01 January 2020	598,679	35,921	25,472	(107,927)	(46,534)
Purchase of own shares	—	—	—	(108,052)	(108,052)
Reinvestment programme for the payment of the interim dividend for 2019	—	—	—	53,113	53,113
Own share amortisation (capital reduction)	(50,075)	(3,005)	—	147,675	144,670
Other awards	—	—	—	641	641
Balance at 31 December 2020	548,604	32,916	25,472	(14,550)	43,838
Purchase of own shares	—	—	—	(15,271)	(15,271)
Reinvestment programme for the payment of the interim dividend for 2019	—	—	—	—	—
Own share amortisation (capital reduction)	—	—	—	—	—
Other awards	—	—	—	383	383
Balance at 31 December 2021	548,604	32,916	25,472	(29,439)	28,949

Share capital

At 31 December 2021 the share capital of Prosegur Compañía de Seguridad, S.A was EUR 32,916 thousand (2020: EUR 32,916 thousand) and is represented by 548,604,222 shares (2020: 548,604,222 shares) with a par value of EUR 0.06 each, fully subscribed and paid. These shares are listed on the Madrid and Barcelona stock exchanges and traded via the Spanish Stock-Exchange Interconnection System (SIBE).

Capital reduction carried out on 26 October 2020

On 26 October 2020 the share capital was reduced following approval by the Shareholders General Meeting held on 4 June 2019.

The Company's share capital reduced by EUR 1,511,371.02, through the cancellation of 25,189,517 own shares each of a face value of EUR 0.06.

The capital reduction was carried out without return of additions and in order to create an unavailable voluntary reserve for the same amount as the capital reduction (that is EUR 1,511,371.02), in accordance with article 335 (c) of the Spanish Companies Act.

Capital reduction carried out on 2 December 2020

On 2 December 2020 the share capital was reduced following approval by the Shareholders General Meeting held on 29 October 2020.

The Company's share capital reduced by EUR 1,493,137.38, through the cancellation of 24,885,623 own shares each of a face value of EUR 0.06.

The capital reduction was carried out without return of additions and in order to create an unavailable voluntary reserve for the same amount as the capital reduction (that is EUR 1,493,137.38), in accordance with article 335 (c) of the Spanish Companies Act.

Details of the Company's shareholders are as follows:

Shareholders	Number of shares	
	2021	2020
Ms Helena Revoredo Delvecchio (1)	325,918,224	325,918,224
Ms Mirta Giesso Cazenave (2)	34,877,487	34,877,487
Others	187,808,511	187,808,511
	548,604,222	548,604,222

(1) Through Gubel (59,368%), S.L. and Prorevosa, S.L.U. (0.040%)

(2) Both directly and through AS Inversiones, S.L.

In March 2020, Invesco Limited reduced its shareholder composition to less than 1% of the shareholder composition of Prosegur.

In July 2020, FMR LLC reduced its shareholder composition to less than 3% of the shareholder composition of Prosegur.

At 31 December 2021 and 2020, the members of the Board of Directors, either directly or through companies over which they exercise control, hold a total of 327,837,886 shares (2020: 327,837,886 shares) corresponding to 59.76% of the share capital (2020: 59.76%).

Share premium

The share premium amounts to EUR 25,472 thousand, is freely distributable and has not changed in 2021 or 2020.

Own shares

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

	Number of shares	Thousands of Euros
Balance at 01 January 2020	30,080,960	107,927
Purchase of own shares	42,007,038	108,052
Reinvestment programme for the payment of the interim dividend for 2019	(16,571,986)	(53,113)
Own share amortisation (capital reduction)	(50,075,140)	(147,675)
Other awards	(180,830)	(641)
Balance at 31 December 2020	5,260,042	14,550
Purchase of own shares	5,819,856	15,271
Other awards	(141,300)	(382)
Balance at 31 December 2021	10,938,598	29,439

Purchase of own shares

At the Shareholders General Meeting held on 27 June 2011, the shareholders authorised to the Board of Directors the acquisition of own shares up to the legal maximum. All or part of these own shares may be granted or transferred to the directors or employees of Prosegur, either directly or as a result of a share option being exercised within remuneration schemes linked to the quoted share price.

On 30 September 2020 the Board of Directors of Prosegur decided to implement a new own share buyback programme.

The Programme is put into effect under the provisions 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 29 October 2020 for the purchase of own shares, for the purpose of reducing the share capital of Prosegur Compañía de Seguridad, S.A.

The Programme will apply to a maximum of 54,860,422 shares, representing approximately 10% of Prosegur's share capital.

The Programme has the following features:

- Maximum amount allocated to the Programme: EUR 200,000 thousand.
- Maximum number of shares that can be acquired: up to 54,860,422 shares representing approximately 10% of Prosegur's share capital.
- Maximum price per share: the Company will not buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) the highest current independent bid on the trading venues where the purchase is carried out.
- Maximum volume per trading session: in so far as volume is concerned, Prosegur must 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.
- Duration: the Programme commenced on 5 November 2020 and finish no later than 5 November 2023. Notwithstanding the above, Prosegur reserves the right to conclude the Programme, if prior to the indicated maximum date of the term, 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.

On 24 February 2021, the Company resolved to temporarily suspend execution of the own share buyback programme resolved on 30 September 2020 and, in addition, pursuant to the resolution passed by the Company Board of Directors on 24 February 2021, the Company implemented a new own share buyback programme under the provisions of Regulation (EU) No. 596/2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052, in use of the authorisation granted by the Shareholders General Meeting held on 29 October 2020 for the purchase of own shares, for compliance with the commitments and obligations derived from share remuneration plans for the Company's executive directors and employees.

The Programme had the following features:

- a) Maximum amount allocated to the Programme: EUR 16,000,000.
- b) Maximum number of shares that can be acquired: up to 4,000,000 shares representing approximately 0.73% of the Company's share capital to this date.
- c) Maximum price per share: The Company will not 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) 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 will have a maximum duration of six months. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of six months, 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.

Following the last acquisition on 14 April 2021, under the own share buyback programme resolved on 24 February 2021, the Company has acquired a total of 4,000,000 shares, representing approximately 0.73% of its share capital, achieving the objectives of the Programme and, therefore, concluding the Programme before the established expiration date. As a result of the termination of the aforementioned Programme, the Company reactivated the own share buyback programme approved by the Board of Directors on 30 September 2020 in order to decrease the Company's share capital, and which was suspended on 24 February 2021. With regard to the above and following the purchases made through that date under the own share buyback programme approved by the Company Board on 30 September 2020, the maximum amount allocated to the Programme comes to EUR 194,566,695 and the number of shares covered by the purchase are 52,625,673.

The share buy-back programme approved by the Board of Directors on 4 June 2019, ended on 30 September 2020. The company acquired a total of 25,189,517 shares, representing approximately 4.21% of its share capital in that date.

On 28 January 2020 and aside from the own share buyback programme, Prosegur acquired a package of 5,850,000 of its own shares from an institutional investor, representing 0.98% of the share capital, at a price of EUR 3.592 per share, with a discount of EUR 0.05 per share.

On 6 March 2020 and aside from the own share buyback programme, Prosegur acquired a package of 1,448,376 of its own shares from an institutional investor, representing 0.24% of the share capital, at a price of EUR 3.335 per share, with a discount of EUR 0.015 per share.

On 31 July 2020 and aside from the own share buyback programme, Prosegur acquired a package of 13,998,289 of its own shares from an institutional investor, representing 2.34% of the share capital, at a price of EUR 2.20 per share, with a discount of EUR 0.03 per share.

On 2 September 2020 and aside from the own share buyback programme, Prosegur acquired a package of 3,500,000 of its own shares from an institutional investor, representing 0.58% of the share capital, at a price of EUR 2.00 per share, with a discount of EUR 0.014 per share.

Reinvestment programme for the payment of the interim dividend for 2019

In the framework of the current situation arising from the impact of the COVID-19 pandemic and in order to potentially help strengthen the Company's equity position, the Board of Directors of Prosegur agreed to offer shareholders who voluntarily agreed, the possibility of reinvesting the total net amount of the second payment of the interim dividend for 2019, the third payment of the interim dividend for 2019, and the fourth payment of the interim dividend for 2019 in ordinary Prosegur shares with a par value of EUR 0.06 each from the treasury stock.

The reinvestment price per share of the second payment of the interim dividend for 2019 was EUR 1.9783. This price corresponded to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the second payment of the interim dividend for 2019, that is, on 23, 24, 27, 28, and 29 April 2020 (for 23, 24 and 27 April, reducing the gross amount of said dividend payment).

The reinvestment price per share of the third payment of the interim dividend for 2019 was EUR 2.1657. This price corresponded to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 15, 16, 17, 20, and 21 July 2020 (for 15, 16 and 17 July, reducing the gross amount of said dividend payment).

The reinvestment price per share of the fourth payment of the interim dividend for 2019 was EUR 2.02316. This price corresponded to the simple average of the weighted average changes of the Company's share in the SIBE market corresponding to the five trading days prior to the payment date of the third payment of the interim dividend for 2019, that is, on 20, 21, 22, 23, and 26 October 2020 (for 20, 21 and 22 October, reducing the gross amount of said dividend payment).

Own share amortisation (capital reduction)

Under the share buyback programme approved by the Board of Directors on 4 June 2019 and in accordance with the objectives of the Programme and in application of the agreement to authorise the Board of Directors to reduce the Capital approved by the Shareholders General Meeting held on 4 June 2019, the company carried out a capital reduction by amortising the 25,189,517 own shares at 26 October 2020.

On 2 December 2020 a capital decrease took place by means of the redemption of 24,885,623 of its own shares.

Other awards

The heading 'Other awards' reflects the awarding of shares to employees at market value.

22.2. Cumulative translation difference

Details of provisions and movements of this reserve are as follows:

	Thousands of Euros	
	2021	2020
Balance at 1 January	(805,584)	(187,965)
Translation difference for foreign operations	53,299	(193,847)
Transfer of translation difference to reserves	—	(423,772)
Balance at 31 December	(752,285)	(805,584)

The change in the balance of the cumulative translation differences at 31 December 2021 as compared to 31 December 2020 results mainly from the positive impact of hyperinflation in Argentina.

As a consequence of the IFRIC decision agenda taken in 2020, the Prosegur Group changed the presentation it had previously made of the translation differences of the business in Argentina, which had been considered reserves. In its decision agenda, the IFRIC clarified that the effects of inflation corrected by IAS 29 in the country's equity affected by hyperinflation (excluding the part of the net monetary position that directly affects profit/(loss)) have a currency effect similar to which occurs when converting the country's financial statements into presentation currency, so both items must be reflected within translation differences.

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

In application of all the above, the Group proceeded to reclassify the treatments that it had carried out directly against reserves in previous years for an amount of EUR 423,772 thousand between translation differences and reserves in the year 2020 and cumulatively, without modifying the comparative presentation of said periods.

22.3. Retained earnings and other reserves

The structure and changes of retained earnings and other reserves are as follows:

	Thousands of Euros				
	Legal reserve	Capitalisation reserve	Other unavailable reserves	Other retained income	Total
Balance at 31 December 2019	7,406	55,000	165	998,038	1,060,609
Translation difference reclassified to reserves (Note 35)	—	—	—	423,772	423,772
Balance at 01 January 2020	7,406	55,000	165	1,421,810	1,484,381
Total comprehensive income for the year	—	—	—	229,276	229,276
Exercise of share incentives by employees	—	—	—	(267)	(267)
Capital reduction	—	—	—	(144,670)	(144,670)
Distribution of ordinary interim dividend	—	—	—	(68,027)	(68,027)
Programme of interim dividend reinvestment 2019	—	—	—	(19,081)	(19,081)
Other changes	—	—	—	(24,661)	(24,661)
Balance at 31 December 2020	7,406	55,000	165	1,394,380	1,456,951
Translation difference reclassified to reserves (Note 35)	—	—	—	—	—
Balance at 01 January 2021	7,406	55,000	165	1,394,380	1,456,951
Total comprehensive income for the year	—	—	—	69,545	69,545
Exercise of share incentives by employees	—	—	—	3,663	3,663
Distribution of ordinary interim dividend	—	—	—	(68,027)	(68,027)
Other changes	—	—	—	(46,401)	(46,401)
Balance at 31 December 2021	7,406	55,000	165	1,353,160	1,415,731

Other restricted reserves at 31 December 2021 and 2020 correspond to the reserve for the update of National Budget Act 83 (EUR 104 thousand) and reserves for capital adjustment to Euros (EUR 61 thousand).

The legal reserve, which amounts to EUR 7,406 thousand, was endowed in compliance with article 274 of the Revised Text of the Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of share capital. The legal reserve has been fully endowed. The legal reserve is not distributable and if it is used to offset losses, in the event that no other reserves are available, it must be replenished with future profits.

The proposed distribution of the parent's profit for 2021, determined in accordance with prevailing legislation and standards for the preparation of individual annual accounts, in terms of the interim dividend agreed by the Company's Board of Directors and which will be submitted to the Shareholders General Meeting for approval, is shown in the following table:

	Thousands of Euros
	2021
Basis of allocation	
Profit/(loss) for the year	75,682
	75,682
Allocation	
Voluntary reserves	7,655
Dividends	68,027
	75,682

22.4. Non-controlling interests and other changes

Prosegur Cash, S.A. is a subsidiary of the Spanish company Prosegur Compañía de Seguridad, S.A., which currently holds 57.30% of the shares, and indirectly controls another 21.98% through its 100%-owned subsidiary, Prosegur Assets Management, S.L.U. The remaining 20.72% of the shares are in the hands of non-controlling interests as a result of its first listing on the stock market on 17 March 2017. Prosegur Cash shares started trading at EUR 2 per share on the Madrid and Barcelona Stock Exchanges and they are traded through the Spanish Stock Exchange Interconnection System (Continuous Market) (SIBE).

'Other movements' of the statement of changes in equity in 2021 mainly records the negative impact arising from the difference between the value recorded in the consolidated and the amount paid for the 3.24% of Prosegur Cash amounting to EUR 24,935 thousand, the negative impact associated with the purchase-sale of shares of Prosegur Cash, S.A. for an amount of EUR 12,472 thousand and the negative impact of the recording of the provision associated with the investigation related to potential anti-competitive practices carried out by the National Economic Prosecutor of Chile (FNE) for an amount of EUR 10,961 thousand (Note 28).

Purchase of shares in Prosegur Cash, S.A. by Prosegur Compañía de Seguridad, S.A.

During the financial year 2021, Prosegur Compañía de Seguridad, S.A. acquired shares in Prosegur Cash, S.A. for EUR 27,579 thousand, which represents 3.24% of the share capital of Prosegur Cash, S.A. The negative impact recorded by the difference between the profit/(loss) value and the amount paid by the 3.24% of Prosegur Cash is recorded in the statement of changes in equity under the 'Other Changes' heading for EUR 24,935 thousand.

During the financial year 2020, Prosegur Compañía de Seguridad, S.A. acquired shares in Prosegur Cash, S.A. for EUR 21,211 thousand, which represented 2.48% of the share capital of Prosegur Cash, S.A. The negative impact recorded by the difference between the profit/(loss) value and the amount paid by the 2.48% of Prosegur Cash was recorded in the statement of changes in equity under the 'Other Changes' heading for EUR 18,149 thousand.

Purchase of own shares Prosegur Cash, S.A.

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

On 23 February 2021, the Board of Directors of Prosegur Cash decided to implement a new own share buyback programme with the aim of compensating its employees..

The programme has been put into effect under the provisions 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 6 February 2017 for the purchase of own shares, for the purpose of meeting the commitments and obligations derived from the share-based remuneration plans for the Company's executive directors and employees.

The programme has the following features:

- Maximum amount allocated to the Programme: EUR 28,000 thousand.
- Maximum number of shares that can be acquired: up to 14,000,000 shares representing approximately 0.91% of the Company's share capital.
- 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.
- Maximum volume per trading session: in so far as volume is concerned, the Company cannot purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- Duration: the Programme has a maximum duration until 5 February 2022. 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.

On 2 August 2021, Prosegur Cash, S.A. agreed to conclude the execution of the own share buyback programme, which was approved by the Board of Directors of Prosegur Cash, S.A. on 23 February 2021. The Company has acquired a total of 14,000,000 shares, representing approximately 0.92% of its share capital, achieving the objectives of the Programme and, therefore, bringing about the end of the Programme before the established expiration date.

As a result of the termination of the aforementioned Programme, the Company reactivated the liquidity contract signed between the Company, as issuer, and JB Capital Markets, Sociedad de Valores, S.A.U., as financial intermediary on 7 July 2017.

On 20 December 2021, the Board of Directors of Prosegur Cash decided to implement a new own share buyback programme.

The programme has been put into effect under the provisions of Regulation (EU) no. 506/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 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:

- Maximum amount allocated to the Programme: EUR 15,000 thousand.
- Maximum number of shares that can be acquired: up to 22,844,200 shares representing approximately 1.5% of the Company's share capital.
- 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.

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

As a result of the implementation of the Programme, the operation of the liquidity contract which came back into force on 2 August 2021 and that was signed by the Company as the issuer, and JB Capital Markets, Sociedad de Valores, S.A.U. As financial mediator on 7 July 2017, was suspended.

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

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:

- Maximum amount allocated to the Programme: EUR 40,000 thousand.
- Maximum number of shares that can be acquired: up to 45,000,000 shares representing approximately 3% of the Company's share capital.
- Maximum price per share: shares 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.
- Maximum volume per trading session: in so far as volume is concerned, the Company cannot purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

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

In 2021, Prosegur Cash, S.A. acquired 17,183,819 own shares for EUR 13,337 thousand.

In 2020, Prosegur Cash, S.A. acquired 24,943,309 own shares for EUR 20,225 thousand.

At the close of 2021, the treasury stock held by Prosegur Cash, S.A. is composed of 18,198,819 shares (23,436,659 shares in 2020), of which 1,141,392 are linked to the aforementioned liquidity contract (768,667 in 2020).

Own share amortisation (capital reduction) Prosegur Cash, S.A.

Under the share buyback programme approved by the Board of Directors of Prosegur Cash, S.A. on 3 June 2020 and in accordance with the objectives of the Programme and in application of the agreement to authorise the Board of Directors of Prosegur Cash, S.A. to reduce the Capital approved by the Shareholders General Meeting held on 28 October 2020, the company carried out a capital reduction of EUR 431,785.92 by amortising 21,589,296 own shares each with a par value of EUR 0.02 at 6 July 2021.

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 431,785.92), in accordance with article 335 (c) of the Spanish Companies Act.

Reinvestment programme for the payment of the interim dividend for 2019 and associated capital increases

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

Prosegur Compañía de Seguridad, S.A. and its 100%-owned investee, Prosegur Assets Management, S.A. joined the programme of reinvestment of the third and fourth payment of the interim dividend for 2019.

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 Prosegur Cash held on 6 February 2017 executed by Prosegur Cash on 3 July 2020.

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

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

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

Below is the consolidated financial information for the Prosegur Cash Group before intragroup eliminations, of which 20.72% corresponds to non-controlling interests (25.02% in 2020):

(In thousands of Euros)

	31 December 2021	31 December 2020
Non-current assets	1,088,751	1,034,960
Current assets	643,005	785,504
Total assets	1,731,756	1,820,464
Total equity	76,232	80,235
Non-current liabilities	965,670	1,046,807
Current liabilities	689,854	693,422
Total liabilities	1,655,524	1,740,229
Revenue	1,518,813	1,507,517
Operating profit/(loss) (EBIT)	165,867	134,371
Profit/(loss) before tax	107,268	88,315
Post-tax profit of ongoing operations	33,055	15,630
Post-tax profit of interrupted operations	—	—
Consolidated profit/(loss) for the year	33,055	15,630
Cash flows from operating activities	237,609	237,373
Cash flows from investing activities	(42,669)	(89,617)
Cash flows from financing activities	(321,208)	14,447
Net increase/(decrease) in cash and cash equivalents	(126,268)	162,203

During the 2021 financial year, the change in the balance of the conversion difference of financial statements of foreign operations corresponding to non-controlling interests amounted to EUR 2,869 thousand.

23. Provisions

Details of provisions and movement are as follows:

Thousands of Euros	Occupational risks	Legal risks	Employee benefits (Note 5.2)	Other risks	Total
Balance at 01 January 2021	42,638	26,938	17,295	104,611	191,482
Provisions charged against the income statement	13,728	2,712	2,322	19,372	38,134
Reversals credited to the income statement	(6,380)	(1,654)	(2,098)	(2,060)	(12,192)
Applications	(10,436)	(1,859)	(809)	(4,837)	(17,941)
Financial effect of discounting	1,296	1,425	—	1,122	3,843
Exits from the scope	(89)	—	—	(12)	(101)
Provisions charged to Equity	—	10,961	—	—	10,961
Transfers	(262)	(5,174)	—	(7,167)	(12,603)
Translation differences	(331)	(110)	843	363	765
Balance at 31 December 2021	40,164	33,239	17,553	111,392	202,348
Non-current at 31 December 2021	40,164	33,239	17,553	110,359	201,315
Current at 31 December 2021	—	—	—	1,033	1,033

a) Occupational risks

The provisions for occupational risks, which amount to EUR 40,164 thousand (2020: EUR 42,638 thousand), are calculated individually based on the estimated probability of success or failure. This probability is determined by the various lawyers' offices which work with the companies in the group. In addition, an internal review is carried out of the probabilities of reaching agreements in each of the cases, depending on the past experience of Prosegur, in order to arrive at the final provision to be recorded.

The provision for occupational risks is composed mainly of labour legal cases in Brazil, which include lawsuits brought by former and current Prosegur employees. The characteristics of labour legislation in that country and the regulatory requirements of the business activities result in such processes becoming drawn out and has led to a provision in 2021 of EUR 18,635 thousand (2020: EUR 22,955 thousand).

At 31 December 2021, the number of labour legal cases open in Brazil amounts to 3,206 (31 December 2020: 3,449). During 2021, almost 1,413 proceedings were closed.

This heading also includes a provision for EUR 1,634 thousand (2020: EUR 2,116 thousand) related to the business combination carried out in 2005 with Transpev. During the 2021 financial year, 47 cases are still pending (31 December 2020: 58).

Provisions charged to and reversals credited to the income statement are included under other expenses in costs of sales (Note 4), and the monetary adjustments associated to said provision are included under other financial expenses (Note 7).

b) Legal risks

The provisions for legal risks, which amount to EUR 33,239 thousand (2020: EUR 26,938 thousand), correspond mainly to civil claims which are analysed on a case-by-case basis. They include mainly lawsuits in Brazil, Chile and Spain. The settlement of these provisions is highly probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the processes under way. There are no significant legal risks.

Provision associated with legal risks includes the provision associated with the sanctioning file lodged by the National Stock Market Commission for alleged anti-competitive practices for an amount of EUR 8,695 thousand after the Constitutional Court did not admit the appeal for protection presented by Prosegur for the home inspection carried out at the Prosegur offices to processing during the financial year 2020.

On 20 October 2021, the Chilean competition authority (National Economic Prosecutor's Office 'FNE') filed a request before the Court for the Defence of Free Competition of Chile against the security logistics companies: Juncadella Prosegur Group Andina S.A. ('Juncadella'), Brink's Chile S.A. ('Brink's') and Wagner Seguridad Custodia and Transporte de Valores SpA ('Loomis' and together with Juncadella and Brink's, the 'Companies'), for allegedly entering into and executing an agreement consisting of setting prices for the security logistics and their related services (ATM services, treasury and payment of salaries and/or social benefits) in 2017 and 2018. This requirement derives from the investigation performed by the FNE since 2018.

The FNE requests that fines be imposed on the companies. For Juncadella, it requests a fine of approximately EUR 22,000 thousand.

At the date of drawing up these consolidated annual accounts, not all parties have been notified of the legal proceedings, so the term to be able to answer the FNE's request has not started. As of 31 December 2021, the recorded amount associated with this risk in provisions for legal risks amounts to EUR 10,961 thousand (note 28).

Furthermore, on 10 January 2022, Brinks filed an application for annulment of the unconstitutionality requirement before the Constitutional Court of Chile, based on the lack of right of access to the file of the FNE investigation by the Companies until a later stage of the procedure. The consequence of the limiting of this right is that the Companies will have to respond to the FNE's request without access to the content of the aforementioned file. On 17 January 2022, the Constitutional Court decided to suspend the procedure before the TFCL while it resolves over whether the raised unconstitutionality is admissible. The suspension extends to the notifications that must be made and, consequently, the period for answering the FNE request has not yet started.

The continuity of this suspension depends on the decision of the Constitutional Court of Chile on the admissibility of the request made and whether it is considered necessary to maintain the suspension while the constitutionality case is decided if it is declared admissible.

c) Employee benefits

As indicated in Note 5.2, Prosegur maintains defined benefit schemes in Germany, Brazil, El Salvador, Ecuador, Honduras, Mexico and Nicaragua. The actuarial valuation, carried out by qualified actuaries, of the value of the benefits to which the Company is committed is updated at the 2021 financial year-end.

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

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

The defined benefit schemes that Prosegur maintains for Honduras, Nicaragua and El Salvador by law have obligations under defined benefit schemes arising from the termination of employment contracts by dismissal or following a mutual agreement.

d) Other risks

The provisions for other risks, which amount to EUR 111,392 thousand (2020: EUR 104,611 thousand), includes various items.

The settlement of these provisions is probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the processes under way.

We list the most significant ones below:

Tax risks

These mainly refer to tax risks in Brazil, Peru, the United States, Spain and Argentina amounting to EUR 89,130 thousand (2020: EUR 71,540 thousand).

The tax risks associated with Brazil are related to several items, mainly to claims for direct and indirect local and State taxes, as well as provisions coming from the business combination of Nordeste and Transpev. In Argentina, the United States, Peru and Spain they relate to various amounts that are not individually material, linked mainly to municipal, provincial and other taxes. The most representative risks arise as a result of the disparity in criteria between Prosegur and Tax Administration.

Prosegur uses ‘the most likely outcome’ as the valuation basis for evaluating uncertain tax positions. Tax risks are classified as material on the basis of opinions in external studies according to the analysis of case law in the matter of reference. In addition, internal analyses are conducted based on similar cases that have occurred in the past at Prosegur or at other companies.

At each close of quarter, a detailed analysis of each of the tax contingencies is made. This analysis refers to quantification, qualification and the level of provision associated with the risk. An annual letter with the respective analysis and assessment by an independent expert is used to determine these parameters in the most significant risks. On the basis of this, the level of provision is adjusted.

Provisions charged against and reversals credited to the income statement are included under other expenses in Note 4 and 7.

Accruals with personnel

These provisions include the accrued incentive in the 18-20 Plan, the 21-23 Plan and the Long-Term Retention Plan for the Executive President, Managing Director and Management of the Prosegur Group. During the year, provisions to profit/(loss) have been made for EUR 15,054 thousand and a reversal amounting to EUR 3,805 thousand.

The 18-20 long-term incentive was that in force at 31 December 2020. During 2021, the net impact on the income statement was an income of EUR 62 thousand, as the targets set for liquidation of the entire 18-20 Plan were not attained 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.

The Retention Plan, which is linked to ensuring adequate talent retention and promoting the digital transformation of the Prosegur Group for 2021-2023, was also 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 2.029 per share.

At 31 December 2021, the positive impact on retained earnings and other reserves of the equity was EUR 4,025 thousand.

In 2021, a total amount of EUR 4,150 thousand associated with the last payment of the 18-20 Plan was settled.

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

Comcare Australia

In 2021, payments have been made for commitments associated to the occupational accident insurance plan in Australia amounting to EUR 652 thousand (EUR 684 thousand in 2020). The allocation for the year amounted to EUR 128 thousand, reaching a provisional total of EUR 2,020 thousand (EUR 2,498 thousand in 2020), of which there is no other amount that fall due in the short term (2020: EUR 427 thousand).

24. Financial liabilities

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

Thousands of Euros	Average interest rate	2021		2020	
		Non-current	Current	Non-current	Current
Debentures and other negotiable securities	1.00%-1.38%	1,295,038	13,723	1,292,898	13,725
Bank borrowings	3.23%	80,156	179,776	239,086	215,061
Credit accounts	18.55%	—	3,767	—	45,629
Other payables	9.67%	58,199	49,413	52,753	50,885
		1,433,393	246,679	1,584,737	325,300

	Currency	Years of maturity	Thousands of Euros			
			2021		2020	
			Non-current	Current	Non-current	Current
Debentures and other negotiable securities	Euro	2023-2026	1,295,038	13,723	1,292,898	13,725
Bank borrowings	Euro	2022	—	97,274	193,656	148,465
Bank borrowings	US Dollar	2022	—	22,910	—	987
Bank borrowings	Brazilian Real	2022	—	11,157	12	13,580
Bank borrowings	Australian Dollar	2022-2023	32,255	15,370	37,746	6,624
Bank borrowings	Peruvian Sol	2022-2023	47,595	16,268	4,168	3,748
Bank borrowings	Argentine Peso	2022	—	8,979	—	30,375
Bank borrowings	Other currencies	2022-2025	306	7,818	3,504	11,282
Credit accounts	Euro	2022	—	1,591	—	5,134
Credit accounts	Argentine Peso	2022	—	1,794	—	9,422
Credit accounts	US Dollar	2022	—	—	—	27,941
Credit accounts	Other currencies	2022	—	382	—	3,132
Other payables	Euro	2022-2025	14,850	7,055	13,511	13,216
Other payables	Brazilian Real	2022-2032	7,912	9,991	9,449	14,827
Other payables	Argentine Peso	2022-2023	5	1,782	14	8,362
Other payables	Other currencies	2022-2033	35,432	30,585	29,779	14,480
			1,433,393	246,679	1,584,737	325,300

At 31 December 2021 drawdowns from credit facilities in current accounts totalled EUR 3,767 thousand (2020: EUR 45,629 thousand). Details of undrawn credit facilities are as follows:

	Thousands of Euros	
	2021	2020
Maturing in less than 1 year	303,751	235,133
Maturing in more than 1 year	557,500	305,000
	861,251	540,133

Credit facilities are subject to various interest rate reviews in 2022.

Debentures and other negotiable securities

On 8 February 2018 an issue of uncovered bonds with a nominal value of EUR 700,000 thousand, maturing on 08 February 2023, was made. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.00% payable at the end of each year.

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

Syndicated credit facility (Spain)

Syndicated financing facility of EUR 200,000 thousand

On 10 February 2017 Prosegur arranged a new five-year syndicated credit financing facility of EUR 200,000 thousand to provide the company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026. At 31 December 2021, no amount of this credit facility had been drawn down (the drawn down balance at 31 December 2020 amounted to EUR 40,000 thousand).

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

Prosegur has complied with the applicable Covenants relative to the financial transactions at the end of 2021.

Syndicated financing facility of EUR 300,000 thousand

On 10 February 2017, Prosegur's subsidiary, Prosegur Cash, S.A., arranged a new five-year syndicated credit financing facility of EUR 300,000 thousand to provide the Company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026. At 31 December 2021, no amount of this credit facility had been drawn down (EUR 155,000 thousand at 31 December 2020).

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

Prosegur has complied with the applicable Covenants relative to the financial transactions at the end of 2021.

Syndicated loan (Australia)

On 28 April 2017, Prosegur, via its subsidiary Prosegur Australia Investments Pty, arranged a syndicated financing operation in the amount of AUD 70,000 thousand for a 3-year term. The first maturity was in the first half of 2021 for AUD 10,000 thousand. The second and third maturities will come in 2022 and 2023 (10,000 thousand Australian dollars and 50,000 thousand Australian dollars, respectively).

At 31 December 2021, the drawn down capital corresponding to the loan amounts to AUD 60,000 thousand (at 31 December 2021 equivalent to: EUR 38,425 thousand). At 31 December 2020, the drawn down capital corresponding to the loan amounts to AUD 70,000 thousand (at 31 December 2020 equivalent to: EUR 44,036 thousand).

Bailment

Prosegur in Australia has access to facilities under loan for use for the supply of cash to ATMs belonging to Prosegur. In these facilities, cash is owned by the bailor, who has contracts directly with Prosegur. Prosegur has access to this money with the only purpose of loading cash into the ATM, governed by this contract. The settlement of the cash assets and liabilities is carried out via regulated clearing systems, such as the right of set-off. As a result of the foregoing, no assets and liabilities are shown in the Consolidated Annual Accounts for this item. The amount of outstanding cash at 31 December 2021 was AUD 229,846 thousand (equivalent to EUR 147,190 thousand) (at 31 December 2020 it was AUD 251,833 thousand, equivalent to EUR 158,245 thousand).

Loan in Peru

On 2 June 2021, Prosegur, via its subsidiary in Peru Compañía de Seguridad Prosegur, S.A., arranged a credit financing facility for PEN 300,000 thousand (equivalent at 31 December 2021 to: EUR 66,252 thousand) with maturity at five years. At 31 December 2021, the drawn down capital was 270,000 thousand Peruvian sol (equivalent at 31 December 2021 to: EUR 59,627 thousand).

Loan with European Investment Bank (EIB)

On 27 October 2021, Prosegur Compañía de Seguridad contracted a financing operation with the European Investment Bank (EIB) with the aim of promoting investment in innovation, digital transformation and sustainability. The financing amounts to EUR 57,500 thousand with a flexible term of between 6 and 10 years as requested at the time of drawdown.

At 31 December 2021, no amount of this credit had been drawn down.

Other payables

Other payables mainly relate to pending payments of business combinations formed in both the present year and previous years (Note 30). Details of other payables are as follows:

	Thousands of Euros	
	2021	2020
Non-current		
Deferred and contingent payments relating to acquisitions	51,643	47,590
Others	6,556	5,163
	58,199	52,753
current		
Deferred and contingent payments relating to acquisitions	47,036	49,289
Others	2,377	1,596
	49,413	50,885

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

Thousands of Euros	Currency	2021		2020	
		Non-current	current	Non-current	current
Fiel Vigilancia e Transp. Values	Reals	—	197	—	187
Nordeste and Transbank Group	Reals	—	3,404	—	3,238
Martom Segurança Eletrônica Ltda.	Reals	—	8	—	26
Securlog GmbH	Euros	—	258	—	258
Dognaedis Lda.	Euros	—	—	—	1,381
Contesta Group	Euros	—	1,011	—	1,233
Indiseg Evolium Group S.L.	Euros	—	—	—	—
Purchase of Client Portfolio from CSS Tactical Proprietary Limited	South African Rand	—	177	—	444
Inversiones BIV, S.A. and subsidiary	Colombian Peso	—	196	—	187
Integra Group - Colombia	Colombian Peso	—	1,573	—	1,597
Remaining business combinations of Prosegur Cash 2017	Sundry	—	—	—	—
Cash business combinations in ROW 2018	Philippine Peso	11,116	4,564	9,647	4,085
Security business combinations in ROW 2018	Sundry	613	1,668	568	2,410
Cash business combinations in LatAm 2018	Sundry	—	529	1,603	3,615
Cash business combinations in Europe 2018	Sundry	—	—	1,103	1,167
Cash business combinations in ROW 2019	Sundry	—	1,156	—	1,156
Cash business combinations in LatAm 2019	Sundry	—	7,488	—	16,629
Cash business combinations in Europe 2019	Sundry	3,213	3,883	6,138	3,081
Alarms business combinations in LatAm 2019	Sundry	—	—	—	37
Cybersecurity business combinations in LatAm 2019	Sundry	132	—	6,160	619
Cybersecurity business combinations in ROW 2019	Sundry	16	—	743	75
Security and Cybersecurity business combinations in ROW 2019	Sundry	2,557	2,559	7,868	455
Purchase of Client Portfolio from Security Systems Paraguay S.A.	Paraguayan Guaraní	—	—	—	—
Cash business combinations in LatAm 2020	Sundry	6,183	—	9,197	3,738
Cash business combinations in Europe 2020	Sundry	6,510	—	3,530	—
Security business combinations in Europe 2020	Sundry	—	—	249	277
Cash business combinations in LatAm 2021	Sundry	11,617	17,515	—	—
Security business combinations in ROW 2021	US Dollar	823	—	—	—
AVOS business combinations in LatAm 2021	Chilean Peso	7,712	62	—	—
Equity instruments acquisitions (Note 18)	Sundry	1,151	788	784	3,394
		51,643	47,036	47,590	49,289

25. Suppliers and other payables

Details of suppliers and other payables are as follows:

	Thousands of Euros	
	2021	2020
Trade payables	244,117	190,152
Accruals with personnel	236,477	214,813
Social Security and other taxes	184,721	151,764
Other payables	149,383	158,212
	814,698	714,941

Accruals with personnel

Prosegur's remuneration policy for indirect personnel includes a variable component determined through specifically designed incentive programmes, which aim to recognise and reward Prosegur employees' contribution to its success by achieving or surpassing targets and developing the necessary skills for excellence in their duties and responsibilities. The incentive programme directly links variable remuneration to the achievement of targets established by Prosegur management or the employee's direct superior over a given time.

Accruals with personnel include EUR 44,530 thousand relating to the incentive programme (2020: EUR 39,887 thousand). The cost recognised under employee benefits expense in the income statement in relation to this policy amounts to EUR 69,610 thousand (2020: EUR 53,600 thousand).

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

As indicated in Note 9, as of 31 December 2021, the debt for dividends of EUR 68,027 thousand is recorded under the heading of other payables. Additionally, Prosegur CASH's debt for dividends is recorded in the amount of EUR 7,408 thousand, corresponding to minority interests.

Information on average payment period to suppliers. Second Final Provision of Act 31/2014 of 3 December.

Information on deferred payments to suppliers by consolidated Spanish companies is as follows:

	2021	2020
	Days	
Average payment period to suppliers	35	60
Ratio of transactions paid	35	59
Ratio of transactions pending payment	34	68

	Thousands of Euros	
	2021	2020
Total payments made	253,624	314,109
Total payments pending	32,827	22,500

In accordance with the ICAC Resolution, the calculation of the average payment period to suppliers has considered the commercial transactions corresponding to the delivery of goods or the rendering of services accrued through the date of entry into force of Act 31/2014, 3 December, i.e. 24 December 2014. The information in these consolidated accounts on payments to suppliers refers exclusively to the companies situated in Spain which are fully consolidated.

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

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

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

26. Other liabilities

Other non-current liabilities include amounts corresponding to accruals of alarm rental income.

Details are as follows:

Thousands of Euros	2021		2020	
	Non-current	current	Non-current	current
Prepaid income	24,791	31,256	20,846	23,768
Other liabilities	—	10,327	—	6,900
	24,791	41,583	20,846	30,668

The heading Current Prepaid Income mainly includes the advance billing for alarm contracts for EUR 13,981 thousand (2020: EUR 13,068 thousand), and the prepaid income from building contracts.

Under the heading of non-current prepaid income, since 1 January 2018 following the adoption of IFRS 15 on the recognition of revenue from client contracts, Prosegur recognises the deferred income associated with alarm system rental installations (Note 35.21).

27. Taxation

Prosegur Compañía de Seguridad, S.A. is the parent of a group that is taxed 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.

In addition, Prosegur pays under Tax Consolidation in the following countries: Luxembourg, Portugal, Australia and the United States.

- In Luxembourg, Prosegur has two independent consolidated tax groups composed of: (i) Luxpai CIT SARL and Pitco Reinsurance, S.A.; and (ii) Luxpai Holdo SARL and Yellow Re S.A.
- In Portugal, Prosegur has a consolidated tax group made up of the following Portuguese companies: Prosegur Companhia de Segurança Ltda., Prosegur Distribuição e Serviços Ltda., Prosegur Agência Promoção e Comercialização de Produtos e Serviços Unipessoal Lda., Prosegur Logística e Tratamento de Valores Portugal S.A., Prosegur Alarmes Dissuasão Portugal Unipessoal Ltda., Prosegur de Serviços Partilhados Unipessoal Lda. and Prosegur Gestão de Activos Imobiliários, S.A.
- In Australia, Prosegur has a consolidated tax group made up of the following Australian companies: Prosegur Australia Holdings Pty Limited, Prosegur Australia Investments Pty Limited, Prosegur Australia Pty Limited, Prosegur Services Pty Limited, Prosegur Asset Management, Prosegur Hub Pty Limited and Prosegur Foreign Exchange Pty Limited.
- In the United States, the tax consolidation group during the year is made up of Prosegur SIS USA Incorporated, Prosegur Security USA Incorporated, Prosegur Security Integration LLC, Prosegur Security Monitoring Incorporated, Prosegur Services Group Incorporated and Prosegur Technology International Incorporated.

The rest of Prosegur's subsidiaries file tax returns in accordance with tax legislation in force in the countries in which they operate.

Details of the income tax expense, for current tax and deferred tax, are as follows:

	Thousands of Euros	
	2021	2020
Current tax	103,866	157,672
Deferred tax	(8,595)	(8,811)
	95,271	148,861

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

	Thousands of Euros	
	2021	2020
Tax loss carryforwards and Tax Deductions	(2,190)	17,839
Provisions and Temporary Differences	(12,714)	(18,394)
Amortisation of Intangible Assets	(10,406)	(11,625)
Depreciation of PPE	16,715	3,369
	(8,595)	(8,811)

The deferred tax assets arising from intangible assets are mainly from local mergers in Brazil which took place during previous years. Tax legislation in Brazil allows for accelerated amortisation.

The calculation of the tax expense, based on pre-tax profit for the year, is as follows:

	Thousands of Euros	
	2021	2020
Profit before tax	138,982	483,736
Tax rate	25 %	25 %
Profit/(loss) adjusted to tax rate	34,745	120,934
Permanent differences	28,746	(22,219)
Effect of applying different tax rates	5,375	(3,393)
Tax Losses and deferred tax adjustments	26,405	53,539
Income tax expense	95,271	148,861

The effective tax rate in 2021 is 68.6%, compared to 30.8% in 2020, which means a fall of 37.8% percentage points owing essentially to the extraordinary profit produced by the sale of alarms subsidiary in Spain and the Australian subsidiary's losses in 2021.

The tax rates in the countries where Prosegur operates are as follows:

	2021	2020
Tax rate		
Germany	30.5%	30.5%
Argentina	35.0%	30.0%
Australia	30.0%	30.0%
Brazil	34.0%	34.0%
Canada	26.5%	26.5%
Chile	27.0%	27.0%
China	25.0%	25.0%
Colombia	31.0%	32.0%
Costa Rica	30.0%	30.0%
El Salvador	30.0%	30.0%
Ecuador	25.0%	25.0%
United Arab Emirates	0.0%	0.0%
Spain	25.0%	25.0%
United States	29.0%	29.0%
The Philippines	25.0%	30.0%
France	26.5%	28.0%
Guatemala	25.0%	25.0%
Honduras	30.0%	30.0%
Hong Kong	16.5%	16.5%
India	30.0%	28.0%
Indonesia	22.0%	22.0%
Luxembourg	24.9%	24.9%
Mexico	30.0%	30.0%
Nicaragua	30.0%	30.0%
The Netherlands	25.0%	25.0%
Paraguay	10.0%	10.0%
Peru	29.5%	29.5%
Portugal	22.5%	22.5%
United Kingdom	19.0%	19.0%
Singapore	17.0%	17.0%
South Africa	28.0%	28.0%
Turkey	25.0%	22.0%
Uruguay	25.0%	25.0%

Also, in 2021 some local legislations changed their tax rates for the coming years. Accordingly, the tax rate for the following years is indicated below:

Tax rates starting from:	Type of taxation			
	Colombia	France	USA	Indonesia
1 January 2022	35%	25%	26%	20%

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

Thousands of Euros	1 January 2020	Charged against or credited to the income statement	Business combinations (Note 30)	Charged against or credited to equity	Exit from the scope	Translation differences	Balance at 31 December 2020	Charged against or credited to the income statement	Business combinations (Note 30)	Exit from the scope	Translation differences	Balance at 31 December 2021
Depreciation of PPE	18,148	851	—	—	39	(2,085)	16,953	1,550	7	—	(411)	18,099
Amortisation of Intangible Assets	5,842	2,784	—	—	(264)	(525)	7,837	1,410	—	—	16	9,263
Losses and Tax Deductions	56,801	(17,839)	—	(4,074)	(3,296)	(4,612)	26,980	2,190	768	—	(14)	29,924
Provisions	83,244	21,146	—	—	(7,864)	(21,624)	74,902	7,316	396	(213)	(719)	81,682
Investments and Others	15,883	4,472	—	1,435	(503)	(4,194)	17,093	5,276	254	30	(699)	21,954
	179,918	11,414	—	(2,639)	(11,888)	(33,040)	143,765	17,742	1,425	(183)	(1,827)	160,922

Thousands of Euros	1 January 2020	Charged against or credited to the income statement	Business combinations (Note 30)	Charged against or credited to equity	Exit from the scope	Translation differences	Balance at 31 December 2020	Charged against or credited to the income statement	Business combinations (Note 30)	Exit from the scope	Translation differences	Balance at 31 December 2021
Depreciation of PPE	(50,160)	(4,220)	—	—	7,349	8,194	(38,837)	(18,265)	—	—	2,544	(54,558)
Amortisation of Intangible Assets	(53,318)	8,841	(8,072)	2,931	47	5,025	(44,546)	8,996	(11,283)	—	(2,218)	(49,051)
Investments and Impairment	(3,439)	1,791	—	—	—	—	(1,648)	5	—	—	—	(1,643)
Provisions and Others	(24,182)	(9,015)	—	—	3,220	3,647	(26,330)	117	(51)	—	173	(26,091)
	(131,099)	(2,603)	(8,072)	2,931	10,616	16,866	(111,361)	(9,147)	(11,334)	—	499	(131,343)

Tax loss assets at 31 December 2021 has been EUR 24,114 thousand (2020: EUR 23,950 thousand). Tax deductions at 31 December 2021 amounted to EUR 5,811 thousand (2020: EUR 3,030 thousand).

Details of deferred tax assets and liabilities that are expected to be realised or reversed in periods exceeding 12 months are as follows:

	Thousands of Euros	
	2021	2020
Deferred tax assets	137,705	122,243
Deferred tax liabilities	(129,087)	(107,938)
	8,618	14,305

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

	Thousands of Euros			
	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Brazil	49,629	(11,730)	45,377	(13,538)
Argentina	23,704	(42,810)	15,693	(24,751)
Spain	27,489	(26,746)	24,527	(32,240)
Germany	19,660	(499)	18,818	(551)
Other	40,440	(49,558)	39,350	(40,281)
Total	160,922	(131,343)	143,765	(111,361)

Prosegur has no inactivated tax credit carryforwards.

Deferred tax assets regarding tax loss carryforwards are recognised provided that it is probable that sufficient taxable income will be available against which to offset the asset.

Prosegur presents the amounts of deferred taxes in accordance with the provisions of IAS 12 in relation to offsetting current tax assets and liabilities in certain conditions, which are fulfilled in Spain, Portugal, United States, Luxembourg and Australia. In the breakdown of deferred tax assets and liabilities these are shown without offsetting.

Details of tax loss carryforwards and the year until which they can be offset at 31 December 2021 are as follows:

Year	Thousands of Euros		
	Total	Non-capitalised	Capitalised
2022	3,287	3,115	172
Subsequent years or no time limit	434,618	354,102	80,516
	437,905	357,217	80,688

The breakdown of tax carryforwards and prescriptive periods at 31 December 2021 is as follows:

	Thousands of Euros		
	Total amount	2022	Later
Germany	70,772	—	70,772
Argentina	82,371	4	82,367
Australia	56,642	—	56,642
Brazil	69,033	—	69,033
Canada	6	—	6
Chile	62,054	—	62,054
China	4,682	864	3,818
Colombia	9,212	2	9,210
Costa Rica	55	—	55
USA	39,784	—	39,784
Ecuador	102	—	102
Spain	2,301	—	2,301
The Philippines	1,210	—	1,210
France	46	—	46
The Netherlands	467	—	467
Hong Kong	465	—	465
India	—	—	—
Indonesia	2,586	—	2,586
Luxembourg	6,093	—	6,093
Mexico	10,771	2,159	8,612
Paraguay	3,969	—	3,969
Peru	9,417	—	9,417
Portugal	1,671	—	1,671
Singapore	207	—	207
South Africa	259	—	259
UK	858	—	858
Uruguay	2,872	258	2,614
Total	437,905	3,287	434,618

Detail of the tax loss carryforwards offset and pending offsetting at 31 December 2021 is as follows:

	Thousands of Euros		
	Capitalised	Not Capitalised	Total
Germany	61,615	9,157	70,772
Argentina	5,334	77,037	82,371
Australia	—	56,642	56,642
Brazil	1,188	67,845	69,033
Canada	—	6	6
Chile	5,787	56,267	62,054
China	3,709	973	4,682
Colombia	—	9,212	9,212
Costa Rica	—	55	55
USA	440	39,344	39,784
Ecuador	102	—	102
Spain	2,000	301	2,301
The Philippines	—	1,210	1,210
France	46	—	46
The Netherlands	—	467	467
Hong Kong	—	465	465
India	—	—	—
Indonesia	—	2,586	2,586
Luxembourg	—	6,093	6,093
Mexico	—	10,771	10,771
Paraguay	—	3,969	3,969
Peru	23	9,394	9,417
Portugal	444	1,227	1,671
Singapore	—	207	207
South Africa	—	259	259
UK	—	858	858
Uruguay	—	2,872	2,872
Total	80,688	357,217	437,905

The most significant non-activated tax bases are in Argentina, Brazil, Australia and Chile. Of the EUR 434,618 thousand of tax carryforwards offset and pending offsetting by Prosegur with a period of limitation extending beyond 2022, there is no time limit for offsetting EUR 302,214 thousand and there is a time limit for the remaining EUR 132,404 thousand.

Deferred tax assets are recognised provided that it is likely that sufficient taxable income will be generated against which the temporary differences can be offset. The recoverable amount of a CGU is determined based on its value in use. These calculations are based on cash flow projections, excluding the effects of potential future improvements in the return on assets, from the five-year financial budgets approved by Management.

On 6 June 2018, the Technical Office of the Spanish Tax Administration issued a Resolution for rectifying the settlement proposal contained in the record of non-acceptance for the 2011-2014 period for Corporate Income Tax, establishing the debt at the amount of EUR 1,344 thousand, of which EUR 1,195 thousand correspond to principal and EUR 159 thousand to late-payment interest. The Company has lodged a claim against that Resolution with the Central Court for Economic-Administrative Issues, which was overturned on 13 October 2020. On 10 December 2020, the Company filed a contentious-administrative appeal before the National Court, which is pending resolution.

In relation to the proceedings initiated for corporate income tax for the years 2005, 2006 and 2007 for which EUR 8,268 thousand were claimed of the Company, on 6 May 2021, the Supreme Court, through its ruling number 630/2021 upholds contentious-administrative appeal number 236/2016 against the Resolution of the Central Administrative Economic Court of 2 March 2016 and cancels the Judgment of the National Court of 14 November 2019, in appeal number 238/2016.

The contentious-administrative appeal corresponding to the acts initiated for corporate income tax for the years 2008, 2009 and 2010, for which a tax debt of EUR 16,088 thousand is claimed from the Company, is pending resolution by the National Court for the same reason as the court in the previous paragraph.

Consequently, with the upholding of the appeal mentioned above, the Company has reversed the tax provision that it had set aside for both litigations, amounting to EUR 24,342 thousand of tax debt and EUR 12,780 thousand of interest considering both litigations come from the same company operation.

Lastly, on 4 April 2019 the Brazilian Tax Authority notified Prosegur Brasil, S.A. Transportadora de Valores e Segurança, of a tax settlement decision regarding Corporate Income Tax, Social Security and withholdings at source in relation to the corporate cost incurred from 2014 to 2016. The amount under that notice was BRL 214,820 thousand (tax liability BRL 102,938 thousand, interest BRL 30,833 thousand and penalties BRL 81,049 thousand). The resolution was challenged by the Company in first instance in the administrative stage on 29 April 2019 and was resolved on 30 July 2019 with a reduction of 44,877 thousand reals. The Company has proceeded to appeal this in the second administrative instance, where a favourable resolution to this lawsuit is anticipated.

On 10 July 2020, the general inspection procedure was opened for the companies Prosegur Servicios de Efectivo de España, S.A., Juncadella Prosegur Internacional, S.A. and Prosegur Global CIT, S.A., Prosegur Compañía de Seguridad, S.A. and Prosegur Servicios Integrales de Seguridad, S.A. for the years 2015 to 2018 for corporate income tax and for the years 2016 to 2018 for the remaining tax items.

The other Prosegur companies are subject to the local jurisdictions in the countries in which they operate.

Due to the different interpretations that could be made of the fiscal legislation in force, additional tax liabilities could arise in the event of inspections by the tax authority. In any event, the Directors of the Company do not consider that any such liabilities that could arise would have a significant effect on the Consolidated Annual Accounts.

In 2019, the Company has decided to implement IFRIC 23 referring to the application of the recognition and valuation criteria of IAS 12 when there is uncertainty regarding the tax authority's acceptance of a specific tax treatment used by the Group.

With this, if the Company considers it is likely that the tax authority will accept an uncertain tax treatment, it will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns, without allocating any provision for that uncertain tax treatment.

However, if the Company considers it unlikely that the tax authority will accept an uncertain tax treatment, it will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. In this manner the effect of the uncertainty for each uncertain tax treatment will be reflected by the Company by using the most likely amount or the expected value of the probability-weighted amounts.

The variation in the provision of IFRIC 23 has been taken to 'income tax expenses', this variation having implied lower expenses of EUR 4,357 thousand.

In 2021, the following corporate restructuring operations were carried out under the neutral tax regime:

- In Argentina, on 28 June, Servicios Auxiliares Petroleros, S.A. merged by absorption with Prosegur Asset Management Argentina ARG S.A.
- In Brazil, on 30 June, Prosegur Administração de Recebíveis Ltda merged by absorption with Segurpro Tecnologia em Sistema de Segurança e Incendios Ltda.
- In Brazil, on 31 August, Segurpro Sistemas de Segurança Ltda merged by absorption with Segurpro Tecnologia em Sistema de Segurança e Incendios Ltda.
- In Spain, on 21 December, Compliofficer SLU and Work 4 Data Lab SLU merged by absorption with Risk Management Solutions S.L.U.

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

- In January 2020, the takeover merger of Transfederal Transporte de Valores Ltda by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In March 2020, the takeover merger of Transvip Transporte de Valores e Vigilância Patrimonial Ltda by Prosegur Brasil S.A. Transportadora de Valores e Segurança was formalised in Brazil.
- In July 2020, the separation of the EAS business from Prosegur Security Integration LLC into Prosegur EAS USA LLC was formalised in the United States.
- In July 2020, the contribution of 100% of the shares of Prosegur Security Monitoring Inc. from Prosegur SIS USA Inc. to Prosegur Security USA Inc. was formalised in the United States.
- In July 2020, the contribution of 100% of the shares of Prosegur Services Group Inc. from Prosegur SIS USA Inc. to Prosegur Security USA Inc. was formalised in the United States.
- In July 2020, the contribution of 100% of the shares of Prosegur Technology International Inc. from Prosegur SIS USA Inc. to Prosegur Security USA Inc. was formalised in the United States.
- In July 2020, the contribution of 77.08% of the shares of Prosegur Security Integration Inc. from Prosegur SIS USA Inc. to Prosegur Security USA Inc. was formalised in the United States.
- In December 2020, the takeover merger of TEVSUR Cia Ltda. by Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda. was formalised in Ecuador.
- In December 2020, the takeover merger of BaS Solution GmbH by Prosegur Cash Services Germany GmbH was formalised in Germany.

28. Contingencies

Sureties and guarantees

Prosegur 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 Prosegur to third parties are as follows:

	Thousands of Euros	
	2021	2020
Commercial guarantees	216,909	284,271
Financial guarantees	209,089	237,840
	425,998	522,111

Commercial guarantees include those given to clients.

Financial guarantees essentially include those relating to litigation in process totalling EUR 60,528 thousand (2020: EUR 75,242 thousand). Civil and labour-related litigation in Brazil amount to EUR 21,108 thousand at 31 December 2021 (EUR 35,823 thousand at 31 December 2020) (see Note 23).

Processes in course

The Prosegur Group has defined a procedure of internal response and investigation of the existence of potential suspicions or signs of non-compliance with the applicable internal legislation and regulations, including the incidents received through its report channel, whether these suspicions or signs arise in the framework of a legal or judicial procedure, or they are discovered at any previous time.

Certain investigation processes are currently being conducted by regulatory bodies and internal investigations in some of the countries in which the Group operates, and which are pending a final resolution, mainly in regard to competition.

At 31 December 2021, the Group updated its assessment on legal risks, and potential fines and sanctions that could arise from these situations, on the basis of the considerations of its internal and external legal and forensic specialists, and on the information available in each case.

As a result, the Prosegur Group has recorded a provision on its best estimate of the risks it considers potentially probable in light of the current state of those investigations and proceedings (Note 23).

Likewise, the Group believes there are certain situations under investigation that could result in the payment of fines and penalties as well as the recognition of other liabilities. The most significant ones are listed below:

National Commission on Markets and Competition

CNMC sanctioning file (Note 23)

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

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

On 13 February 2017, the National Court accepted the appeal proposed by Prosegur for processing, commencing the relevant proceedings, prior to formal filing of the appeal. Prosegur made the corresponding appeal on 6 September 2018.

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

On 10 June 2019, Prosegur was notified of the Court Order declaring the proceedings to be concluded, with a vote and decision pending on them when their turn for this arrives.

On-site inspection of the CNMC at PROSEGUR's headquarters

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

On 20 February 2015, Prosegur filed an administrative appeal before the CNMC Council against the inspection proceedings of the DC. On 18 May 2018, the National Court dismissed the contentious-administrative appeal filed by Prosegur against the resolution of the Competition Chamber of the CNMC Council of 9 April 2015, by which it was agreed to dismiss the internal appeal against the Investigation Order of 4 February 2015 issued by the CNMC's Competition Directorate and subsequent inspections.

A cassation appeal was filed before the Supreme Court against the ruling of the National Court but was dismissed by the order of 8 January 2019, as it did not have annulment interest, and this was made final.

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

As a result of these recent events, Prosegur decided to record a provision in 2020 in the amount of EUR 8,695 thousand which was recorded under 'Other Expenses' (Note 6).

Prosegur Compañía de Seguridad, S.A. will exclusively and at its own expense assume the defence of Prosegur and Prosegur Servicios de Efectivo España, S.L., having sole power regarding the directing and control of that defence and of the lawsuit. No progress has been made in 2021 in this procedure and the assessment of the risk is maintained.

Liquidation of subsidiaries in France

In April 2005, the accounts of Bac Sécurité, Force Gardiennage and Sécurité Européenne de L'Espace Industriel (SEEI) were deposited with the Versailles Court of Commerce and since that date these companies have been in receivership. The liquidation of these companies was completed in 2008 and they are currently being wound up. The Directors do not expect significant liabilities to arise from this process.

Liquidation of subsidiaries in Romania

At the end of financial year 2017, the company SC Rosegur, S.A. is undergoing insolvency proceedings and the company SC Rosegur Cash Services, S.A. has been declared bankrupt. The company Rosegur Holding Corporation, S.L. has been dissolved by agreement of the General Meeting and is currently under liquidation. Lastly, the companies SC Rosegur Fire S.R.L. and SC Rosegur Training S.R.L., both inactive, form part of the equity of SC Rosegur, S.A. to be liquidated as part of the insolvency proceedings. The Directors do not expect significant liabilities to arise from this process.

Chilean National Economic Prosecutor

In 2018, the Chilean National Economic Prosecutor (FNE) began an investigation into potential anti-competitive practices due to agreed actions and the exchange of sensitive commercial information between competitors between 2017 and 2018. In view of this situation, the Group has involved specialists to assess the legal risk and perform internal investigation tasks. The risk associated with this open procedure was evaluated as possible based on the considerations of these specialists.

In 2021, the FNE requested sanctions, including a fine of approximately EUR 22,000 thousand from a Prosegur Group subsidiary in Chile (maximum sanction). On the date of these consolidated Financial Statements, the legal proceeding continues without the FNE having notified all parties to the proceeding and therefore the period for the parties to file responses has not yet commenced. Additionally, after the request for inapplicability due to unconstitutionality by one of the parties, the Constitutional Court of Chile decided to suspend the trial before the Court for the Defence of Free Competition (TDLC) until the admissibility of the requirement is resolved. Said suspension, which was finalised by TDLC resolution on 19 January 2022, also covers the remaining notifications.

The continuity of this suspension depends on the decision of the Constitutional Court regarding the admissibility of the request made and whether it considers it necessary to maintain this measure if it is accepted for processing.

The Prosegur Group has recorded the provisions that it believes will cover the possible risk of cash outflow on the basis of similar experiences in the past, and with the assistance of legal specialists.

In addition, the Group performed a review of the arguments in support of a possible risk, concluding that those arguments did not suitably support that assessment, and that there was no new information to justify a change in the assessment, which is why this provision was recognised against equity (Note 23).

Portuguese competition authority

The Portuguese competition authority (AdC) has accused several private security and surveillance companies of potential agreements regarding price levels and client distribution between 2009 and 2019. The process is currently undergoing a preliminary administrative investigation.

The AdC must conclude its evaluation and, should this process be successful, it is expected to conclude between 2024 and 2025. Should a sanctioning administrative proceeding be opened, the maximum amount of a potential fine would be approximately EUR 10,000 thousand.

In light of this situation, the Group has involved legal specialists who conclude that the risk is possible, considering that at the date of preparation of these consolidated annual accounts the accusations received are inconclusive and lacking support to back them. As a result, the Group has not recorded any provision in its consolidated financial statements.

29. Commitments

Purchase commitments for fixed assets

Investments committed but not made at the close of the year are as follows:

	Thousands of Euros	
	2021	2020
Property, Plant and Equipment	15,841	8,908
Other intangible assets	8,812	2,735
	24,653	11,643

At 31 December 2021 and 2020, the commitments correspond mainly to the purchase of armoured vehicles, machinery and plants (Note 11).

Lease commitments

As indicated in Note 35.7, the Group has chosen not to recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short term and low value lease contracts. The commitments deriving from these lease contracts do not exceed five years' maturity:

At 31 December 2021

Type	Thousands of Euros	
	Less than 1 year	1 to 5 years
Buildings	2,201	931
Vehicles	823	1,235
Other assets	144	288
	3,168	2,454

At 31 December 2020

Type	Thousands of Euros	
	Less than 1 year	1 to 5 years
Buildings	1,129	1,596
Vehicles	963	1,025
	2,092	2,621

30. Business combinations

Details of changes in goodwill are presented in Note 13.

30.1. Goodwill added in 2021

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

Thousands of Euros	Cash payment	Deferred at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Cash business combinations in LatAm	24,267	34,835	59,102	33,919	25,183
Cash business combinations in Europe	110	40	150	150	—
Security Business combinations in ROW	2,780	791	3,571	2,637	934
AVOS business combinations in LatAm	2,324	7,773	10,097	5,284	4,813
	29,481	43,439	72,920	41,990	30,930

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

Goodwill is not tax deductible.

Had the business acquired in 2021 been acquired on 1 January 2021, consolidated income statement revenues would have been EUR 49,691 thousand higher and consolidated profit/(loss) for the year would have been reduced by EUR 2,959 thousand.

Had the business acquired in 2021 been acquired on 1 January 2021, consolidated income statement revenues would have been EUR 49,691 thousand higher and consolidated profit/(loss) for the year would have been reduced by EUR 2,959 thousand. EUR 3,829 thousand).

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	Cash outflow in acquisition
Cash business combinations in LatAm	24,267	(6,058)	18,209
Cash business combinations in Europe	110	—	110
Security Business combinations in ROW	2,780	—	2,780
AVOS business combinations in LatAm	2,324	(143)	2,181
	29,481	(6,201)	23,281

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

Cash business combinations in LatAm

In 2021, Prosegur 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.

The revenue and net profits contributed to the consolidated income statement for 2021 amounted to EUR 36,189 thousand and EUR 2,202 thousand respectively.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	6,058	6,058
Property, Plant and Equipment	4,032	4,032
Inventories	340	340
Clients and other receivables	5,394	5,394
Suppliers and other payables	(9,852)	(9,852)
Current tax assets	1,395	1,395
Current tax liabilities	(1,273)	(1,273)
Non-current financial assets	353	353
Other intangible assets	2,333	41,340
Deferred tax liabilities	—	(9,713)
Long-term financial liabilities	(4,739)	(4,739)
Deferred tax asset	584	584
Identifiable net assets acquired	4,625	33,919

The goodwill on this acquisition was allocated to the Cash segment and to the LatAm geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 19,272 thousand) with a useful life of between 2 and 14 years, trademarks (EUR 15,871 thousand) with a useful indefinite life, and other intangible assets (EUR 3,864 thousand) with a useful life between 7 years (note 14).

Cash business combinations in Europe

In 2021, Prosegur 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 revenue and net profits contributed to the consolidated income statement for 2021 amounted to EUR 144 thousand and EUR 50 thousand respectively.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Property, Plant and Equipment	50	50
Other intangible assets	—	100
Identifiable net assets acquired	50	150

The goodwill on this acquisition was allocated to the Cash segment and to the European geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 100 thousand) with a useful life of 5 years (Note 14).

Security Business combinations in ROW

Prosegur has acquired a series of assets in ROW related to the provision of security services through the integration of surveillance, electronics, patrolling and investigation services. The total purchase price was EUR 3,571 thousand, comprising a cash payment of EUR 2,780 thousand, and a deferred contingent consideration totalling EUR 791 thousand maturing in 2022, 2023 and 2024.

The revenue and net profits contributed to the consolidated income statement for 2021 amounted to EUR 2,383 thousand and EUR 295 thousand respectively.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Property, Plant and Equipment	201	201
Clients and other receivables	510	510
Suppliers and other payables	(50)	(50)
Rights of use	3	3
Other intangible assets	—	1,976
Short-term lease liabilities	(3)	(3)
Identifiable net assets acquired	661	2,637

The goodwill on this acquisition was allocated to the Security segment and to the ROW geographical area and mainly reflects the profitability of the business and sizeable synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 1,976 thousand) with a useful life between 9 and 15 years (Note 14).

AVOS business combinations in LatAm

In Latin America, Prosegur acquired a series of companies that give business process outsourcing services to improve operational management through redesign, automation and digital transformation of clients. The total purchase price was EUR 10,097 thousand, comprising a cash payment of EUR 2,324 thousand, and a deferred contingent consideration totalling EUR 7,773 thousand maturing in 2022, 2023 and 2024.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	143	143
Property, Plant and Equipment	45	45
Deferred tax asset	841	841
Clients and other receivables	2,602	2,602
Suppliers and other payables	(1,695)	(1,695)
Current tax assets	482	482
Current tax liabilities	(281)	(281)
Non-current financial assets	16	16
Other intangible assets	—	5,816
Deferred tax liabilities	—	(1,570)
Long-term financial liabilities	(488)	(488)
Short-term financial liabilities	(433)	(433)
Other liabilities and expenses	(194)	(194)
Identifiable net assets acquired	1,038	5,284

The goodwill on this acquisition was allocated to the AVOS segment and to the LatAm geographical area and mainly reflects the profitability of the business and sizeable synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 5,151 thousand) with a useful life of 12 years, and a trademark (EUR 665 thousand) with a useful life of 5 years (Note 14).

30.2. Goodwill added in 2020 with valuation completed in 2021

Details of the net assets acquired and goodwill recognised on business combinations during 2020 for which measurement was completed in 2021 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Cash business combinations in Europe	2,247	6,318	8,565	3,236	5,329
Security business combinations in Europe	900	1,499	2,399	1,085	1,314
	3,147	7,817	10,964	4,321	6,643

Goodwill is not tax deductible.

At 31 December 2020, the total goodwill recognised for these additions was EUR 3,018 thousand for the Europe Cash business combinations and EUR 1,224 thousand for the Europe Security business combinations. The difference generated by the verification of the fair values in 2021 corresponded to the re-estimate of the deferred contingent consideration and fair values of identifiable net assets associated with the Europe Cash business combination and to the re-estimate of the deferred contingent considerations associated with the Europe Security business combinations. Prosegur has not restated 2020 figures as the changes are not significant.

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	Cash outflow in acquisition
Cash business combinations in Europe	2,247	(227)	2,020
Security business combinations in Europe	900	(619)	281
	3,147	(846)	2,301

Cash business combinations in Europe

During the 2020, Prosegur acquired a company in Europe that provides on-line purchase and sale services through a web platform that connects sellers with end clients. The total purchase price was EUR 8,565 thousand, comprising a cash payment of EUR 2,247 thousand, and a deferred contingent consideration totalling EUR 6,318 thousand maturing in 2023 and 2025.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	227	227
Current tax assets	49	49
Clients and other receivables	87	87
Suppliers and other payables	(54)	(54)
Non-current financial assets	4	4
Other intangible assets	3	3,896
Deferred tax liabilities	—	(973)
Identifiable net assets acquired	316	3,236

The goodwill on this acquisition was allocated to the Cash segment and to the Europe geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise other intangible assets (EUR 3,376 thousand) with a useful life of 10 years, and trademarks (EUR 517 thousand) with an indefinite useful life.

Security business combinations in Europe

During 2020, Prosegur acquired a security company in Europe specialising in the installation and maintenance of security equipment. The total purchase price was EUR 2,399 thousand, comprising a cash payment of EUR 900 thousand, and a deferred contingent consideration totalling EUR 1,499 thousand maturing in 2020, 2021 and 2022.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	619	619
Property, plant and equipment (Note 11)	26	26
Inventories	30	30
Clients and other receivables	812	812
Suppliers and other payables	(667)	(667)
Current tax liabilities	(90)	(90)
Non-current financial assets	1	1
Other intangible assets	—	472
Deferred tax liabilities	—	(118)
Identifiable net assets acquired	731	1,085

The goodwill on this acquisition was allocated to the Security segment and to the Europe geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 472 thousand) with a useful life of 9 years.

30.3. Goodwill added in 2020 not reviewed in 2021

Details of the net assets acquired and goodwill recognised on business combinations during 2020 whose valuation has not been reviewed in 2021 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Cash business combinations in LatAm	24,816	50,863	75,679	15,747	59,932
Cash business combinations in ROW	10,454	—	10,454	10,346	108
	35,270	50,863	86,133	26,093	60,040

Goodwill is not tax deductible.

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	Cash outflow in acquisition
Cash business combinations in LatAm	24,816	(6,661)	18,155
Cash business combinations in ROW	10,454	—	10,454
	35,270	(6,661)	28,609

Cash business combinations in LatAm

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

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	6,661	6,661
Property, plant and equipment (Note 11)	16,191	16,191
Inventories	199	199
Deferred tax assets	7,271	7,271
Current tax liabilities	(105)	(105)
Current tax assets	1,017	1,017
Clients and other receivables	10,228	10,228
Suppliers and other payables	(15,347)	(15,347)
Provisions	(24,014)	(24,014)
Rights of use (Note 12)	108	108
Long-term lease liabilities	(33)	(33)
Short-term lease liabilities	(75)	(75)
Other intangible assets	33	40,154
Other current liabilities	(33)	(33)
Deferred tax liabilities	(454)	(7,962)
Short-term financial liabilities	(13,257)	(13,257)
Long-term financial liabilities	(5,256)	(5,256)
Identifiable net assets acquired	(16,866)	15,747

The goodwill on this acquisition was allocated to the Cash segment and to the LatAm geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 40,121 thousand) with a useful life between 12 and 20 years.

Cash business combinations in ROW

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

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Property, plant and equipment (Note 11)	6,368	6,368
Other intangible assets	—	3,978
Identifiable net assets acquired	6,368	10,346

The goodwill on this acquisition was allocated to the Cash segment and to the ROW geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise other intangible assets (EUR 3,978 thousand) with a useful life of 7 years.

31. Related parties

Prosegur is controlled by Gubel, S.L., which was incorporated in Madrid and holds directly 59.368% of the Company's shares. The remaining 40.632% is held by various shareholders, including AS Inversiones, S.L. with 5.993% (Note 22).

Procurement of goods and services

In October 2005 Prosegur and Proactinmo, S.L.U. (controlled by Gubel, S.L.) signed a lease contract for the building located at Calle Santa Sabina, 8 (Madrid), which is adjacent to a building at Calle Pajaritos, 24. In December 2015, the novation of the contract was signed updating the current rent to market conditions, established as EUR 1,012 thousand and extending the term of the contract from five to ten years, renewable for a further year. In 2021, Proactinmo, S.L.U. invoiced the Group EUR 1,143 thousand for that lease contract (2020: EUR 1,145 thousand).

In December 2015 a lease contract was signed with Proactinmo, S.L.U. (controlled by Gubel, S.L.) for the building located in Calle Pajaritos, number 24, Madrid. This contract has a term of ten years and may be extended for an additional year and was arranged at arm's length. In 2021, Proactinmo, S.L.U. invoiced the Group EUR 822 thousand for that lease contract (2020: EUR 757 thousand).

Prosegur has a lease contract with Proactinmo, S.L.U. (controlled by Gubel, S.L.) for the building located at calle San Maximo, 3 and 9, in Madrid. This contract was executed in December 2018. This contract has a term of five years and was arranged at arm's length. In 2021, Proactinmo, S.L.U. invoiced the Group EUR 1,348 thousand for that lease contract (2020: EUR 975 thousand).

Prosegur has a lease contract with Proactinmo, S.L.U. (controlled by Gubel, S.A.) for the building located at calle Juan Ignacio Luca de Tena, 6. This contract was executed in July 2020. This contract has a term of ten years and was arranged at arm's length. In 2021, Proactinmo, S.L.U. invoiced the Group EUR 1,476 thousand for that lease contract (2020: EUR 323 thousand).

The leases are at market prices.

During the year, the Euroforum Group (controlled by Gubel, S.L.) invoiced Prosegur for hotel services amounting to EUR 87 thousand (2020: EUR 89 thousand).

During the year, Agrocinegética San Huberto (controlled by Gubel, S.L.) invoiced Prosegur for EUR 100 thousand (2020: EUR 384 thousand).

Provision of services

In 2021, Prosegur provided security services to Gubel, S.L. in the amount of EUR 17 thousand (2020: EUR 15 thousand) and to Proactinmo, S.L.U. (controlled by Gubel, S.L.) for EUR 47 thousand (2020: EUR 250 thousand).

During the year, Prosegur billed the Euroforum Group (controlled by Gubel, S.L.) EUR 61 thousand (2020: EUR 36 thousand).

In 2021 and 2020 no assets were sold to related companies.

Remuneration of members of the Board of Directors and key senior management personnel

1. Remuneration of members of the Board of Directors

The total remuneration accrued by members of the Board of Directors is as follows:

	Thousands of Euros	
	2021	2020
Fixed remuneration	1,804	1,296
Variable remuneration	247	308
Remuneration for membership of the Board	168	160
Per diems	235	169
Life insurance premiums	87	79
	2,541	2,012

2. Remuneration of Senior Management personnel

Senior Management personnel are understood to be Prosegur employees who hold, de facto or de jure, Senior Management positions reporting directly to the Board of Directors, executive committees or Managing Director, including those holding a power of attorney which relates to the corporate object and is not restricted to specific areas or matters.

The total remuneration accrued by Senior Management personnel of Prosegur is as follows:

	Thousands of Euros	
	2021	2020
Fixed remuneration	1,520	1,734
Variable remuneration	722	689
Remuneration in kind	27	27
Life insurance premiums	—	11
	2,269	2,460

The expenses for civil liability insurance for directors and members of Senior Management amount to EUR 381 thousand (2020: EUR 110 thousand).

Remuneration to Senior Management includes the accrued incentive in the 18-20 Plan, the 21-23 Plan and the Long-Term Incentive Retention Plan (Note 23).

Loans and investments with related parties

At 31 December 2021 and 2020 there were no loans to related companies except for the loan granted from Prosegur to one of its subsidiaries in India, SIS Cash Services Private Ltd., which is consolidated using the equity method for the amount of EUR 2,331 thousand (Note 18) (2020: EUR 2,190 thousand).

Through the company Gestconsult, S.A. Prosegur invested EUR 50,000 thousand in a fixed income fund in 2017, for which an expense was recognised for a management fee of 0.60%. The president of Gestconsult, Juan Lladó Fernandez-Urrutia, is a person related to Mr Christian Gut Revoredó. Following a favourable report from the corresponding Committee, on 3 April 2017 the Board of Directors authorised this related transaction. In 2020, a disinvestment of the last EUR 30,000 thousand took place in the fixed income fund mentioned above (Note 21).

Information required by article 229 of the Spanish Companies Act

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

Recurrently, and for many years before the appointment of Fernando Vives as a director of the Company, the law firm J&A Garrigues, S.L.P. has provided Prosegur with legal counsel and tax advice, within the ordinary course of business and in market terms. Prosegur does not work solely with J&A Garrigues, S.L.P., but also receives legal counsel and tax advice from other firms. The fees received by J&A Garrigues, S.L.P. from Prosegur are not material for the firm and neither do they represent a significant amount on the accounts of Prosegur. At 31 December 2021, the fees amounted to EUR 1,142 thousand, representing less than 0.5% of Prosegur's total administration and sales expenses (Note 4) (at 31 December 2020 the amount was EUR 1,234 thousand).

In addition, in 2021 Prosegur provided surveillance services to the law firm J&A Garrigues, S.L.P. The surveillance services invoiced to J&A Garrigues, S.L.P. at 31 December 2021 stood at EUR 693 thousand, accounting for less than 0.5% of Prosegur's sales (at 31 December 2020 it was EUR 775 thousand).

Furthermore, these services are provided through partners from the firm other than Fernando Vives, whose remuneration as a partner of J&A Garrigues, S.L.P. is entirely independent and in no way linked to the amount invoiced by the firm to Prosegur. Accordingly, the Board of Directors considers that the business relationship between the law firm J&A Garrigues, S.L.P. and Prosegur, due to its recurrent, non-exclusive nature in the ordinary course of business, and its scant significance in the terms outlined, in no way affects the independence of Fernando Vives to discharge the duties of independent director of Prosegur.

32. Financial risk management and fair value

32.1. Financial risk factors

Prosegur's activities are exposed to currency risk, interest rate risk, price risk, credit risk and liquidity risk. Prosegur's global risk management programme aims to reduce these risks using a variety of methods, including financial instruments.

The Financial Department identifies, proposes and carries out the management of these risks along with other operating units of Prosegur in accordance with policies approved by the Executive Committee.

Currency risk

Prosegur operates on an international level and is therefore exposed to currency risks for currency operations. Currency risk arises when future trade transactions, equity investments, profit/(loss) from operating activities and financial positions are denominated in a foreign currency other than the functional currency of each one of the Prosegur companies.

To control the exchange rate in these operations, Prosegur's policy is to use appropriate instruments to balance and neutralise the risks associated with monetary in- and outflows, considering market expectations.

As Prosegur intends to remain in the foreign markets in which it is present in the long term, it does not hedge equity investments, assuming the risk relating to the translation to Euros of the assets and liabilities denominated in foreign currencies.

The following provides details of Prosegur's exposure to currency risk, with details on the carrying amounts of the financial instruments denominated in a foreign currency other than the functional one of each country:

At 31 December 2021

Thousands of Euros	Euro	US Dollar	Brazilian Real	Argentine Peso	Colombian Peso	Australian Dollar	Other currencies	Total position
Non-current financial assets	—	426	—	—	—	—	10,513	10,939
Total non-current assets	—	426	—	—	—	—	10,513	10,939
Clients and other receivables	2,429	10,557	—	99	—	—	3,719	16,804
Other current financial assets (includes inter-company balances)	53,700	371	—	—	—	—	289	54,360
Cash and cash equivalents	13,916	12,263	—	—	—	122	1,923	28,224
Total current assets	70,045	23,191	—	99	—	122	5,931	99,388
Financial liabilities	—	2,847	—	—	666	—	11,959	15,472
Non-current liabilities	—	2,847	—	—	666	—	11,959	15,472
Suppliers and other payables	6,889	9,758	—	13,040	94	55	4,366	34,202
Financial liabilities	16,066	2,341	399	87	—	—	17,383	36,276
Current liabilities	22,955	12,099	399	13,127	94	55	21,749	70,478
Net position	47,090	8,671	(399)	(13,028)	(760)	67	(17,264)	24,377

At 31 December 2020

Thousands of Euros	Euro	US Dollar	Brazilian Real	Argentine Peso	Colombian Peso	Australian Dollar	Other currencies	Total position
Non-current financial assets	—	3,521	2,488	—	—	—	7,803	13,812
Total non-current assets	—	3,521	2,488	—	—	—	7,803	13,812
Clients and other receivables	3,320	10,022	1,150	—	—	—	7,279	21,771
Other current financial assets (includes inter-company balances)	100,797	248	—	—	—	36,151	3,141	140,337
Cash and cash equivalents	18,926	48,401	—	—	—	1,673	1,496	70,496
Total current assets	123,043	58,671	1,150	—	—	37,824	11,916	232,604
Financial liabilities	1,701	50	10,621	—	4,612	—	555	17,539
Non-current liabilities	1,701	50	10,621	—	4,612	—	555	17,539
Suppliers and other payables	4,589	12,363	141	7,039	15	112	4,235	28,494
Financial liabilities	7,029	1,997	1,209	8,532	4,176	—	1,010	23,953
Current liabilities	11,618	14,360	1,350	15,571	4,191	112	5,245	52,447
Net position	109,724	47,782	(8,333)	(15,571)	(8,803)	37,712	13,919	176,430

Details of the main average and year-end exchange rates to Euros of the foreign currencies in which Prosegur operates are as follows:

	2021		2020	
	Average	Closing rate	Average	Closing rate
US Dollar	1.18	1.13	1.14	1.23
Brazilian Real	6.38	6.31	5.89	6.37
Argentine Peso	112.34	116.23	80.76	103.14
Chilean Peso	897.23	962.99	902.96	872.76
Mexican Peso	23.99	23.14	24.52	24.42
Nuevo Sol (Peru)	4.59	4.53	3.99	4.45
Colombian Peso	4,424.99	4,509.06	4,215.17	4,212.02

The strengthening (weakening) of the Euro vs the Brazilian Real, Argentine Peso, Chilean Peso, Mexican Peso, Peruvian Nuevo Sol, Colombian Peso and US Dollar at 31 December would increase (decrease) the profit/(loss) and the equity in the amounts shown below.

This analysis is based on a variation of the foreign currency exchange rate that Prosegur deems reasonably possible at the end of the reporting period in question (increase and decrease in the exchange rate). This analysis assumes that all other variables, particularly interest rates, remain constant.

Thousands of Euros	Increase exchange rate		Decrease exchange rate	
	Equity	Profit/(loss)	Equity	Profit/(loss)
At 31 December 2021				
Argentine Peso (25% fluctuation)	42,803	2,367	(71,338)	(504)
Brazilian Real (15% fluctuation)	46,710	4,997	(63,195)	(6,760)
Chilean Peso (10% fluctuation)	8,170	75	(9,985)	(91)
Nuevo Sol (Peru) (10% variation)	9,269	2	(11,329)	(3)
US Dollar (10% variation)	6,280	—	(7,676)	—
Colombian Peso (10% fluctuation)	9,507	984	(11,620)	922
At 31 December 2020				
Argentine Peso (25% fluctuation)	35,134	7,538	(58,557)	(11,813)
Brazilian Real (15% fluctuation)	44,885	7,486	(60,727)	(10,128)
Chilean Peso (10% fluctuation)	8,625	240	(10,542)	(294)
Nuevo Sol (Peru) (10% variation)	9,455	(96)	(11,557)	118
US Dollar (10% variation)	6,417	—	(7,844)	—
Colombian Peso (10% fluctuation)	11,354	951	(13,877)	3,167

Credit risk

Prosegur is not significantly exposed to credit risk. Bad debts are not a significant factor in the sector in which it operates. Independent credit ratings of clients are used if available. Otherwise, the Credit Control Department assesses each client's credit rating, considering financial position, past experience and other factors. Individual credit limits are established based on internal and external ratings in accordance with the limits set by the Financial Department. The use of the credit limits is monitored regularly.

Prosegur has formal procedures for detecting objective evidence of impairment on trade receivables. As a consequence, it identifies significant delays in payments and the methods to be followed to estimate the impairment loss based on an individual analysis by business area. In addition, an impairment for credit risk is recorded based on the expected loss, which is calculated based on the average percentage of bad debts in recent years for each client, applicable on accrued sales, but not yet provisioned. The value impairment of receivables from commercial clients as of 31 December 2021 amounts to EUR 40,334 thousand (2020: EUR 41,198 thousand) (Note 20). As the credit ratings relating to trade receivables not included in this provision are sufficient, this provision is considered to cover the credit risk.

In Spain, the Collections Department manages an approximate volume of 12,022 clients (excluding alarm clients) with a monthly average turnover of EUR 8,359 per month. 95% of payments are made by bank transfer and the remaining 5% in notes (cheques, promissory notes, direct debit, etc.).

Details of the percentage of total Prosegur turnover represented by the eight main clients are as follows:

Counterparty	2021	2020
Client 1	3.16 %	3.15 %
Client 2	2.68 %	2.22 %
Client 3	2.22 %	2.18 %
Client 4	1.80 %	2.07 %
Client 5	1.67 %	1.86 %
Client 6	1.59 %	1.59 %
Client 7	1.59 %	1.54 %
Client 8	1.55 %	1.38 %

In 2021, a non-recourse factoring line for a total of EUR 7,420 thousand was arranged (2020: EUR 8,359 thousand).

All financial assets contracted in 2021 are exposed to risk of default by the counterparties which, in all cases, are financial institutions with guaranteed solvency and high credit ratings that are not sensitive to adverse changes in the economic climate.

Liquidity risk

A prudent liquidity risk management policy is based on having sufficient cash and marketable securities, as well as sufficient short-, medium- and long-term financing through credit facilities to reach Prosegur's business targets safely, efficiently and on time. The Corporate Treasury Department aims to maintain liquidity and sufficient availability to guarantee Prosegur's business operations.

Management monitors Prosegur's liquidity reserves, which comprise credit available for drawdown (Note 24) and cash and cash equivalents (Note 21), based on expected cash flows.

Prosegur's liquidity position for 2021 is based on the following:

- Cash and cash equivalents of EUR 584,950 thousand at 31 December 2021 (2020: EUR 767,011 thousand).
- EUR 861,251 thousand available in undrawn credit facilities at 31 December 2021 (2020: EUR 540,133 thousand).
- Cash flows from operating activities in 2021 amounted to EUR 330,304 thousand (2020: EUR 324,308 thousand).

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

Thousands of Euros	Carrying amount	2021					
		Contractual cash flows	6 months or less	6 months to 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Debentures and other negotiable securities	1,308,761	1,355,250	15,250	—	715,250	624,750	—
Bank borrowings	259,932	274,437	140,070	45,907	23,767	64,692	—
Credit accounts	3,767	4,264	2,525	1,739	—	—	—
Other payables	107,612	134,924	23,880	32,475	35,767	37,535	5,267
Finance lease liabilities	102,065	138,199	20,239	15,003	24,873	53,742	24,342
Suppliers and other payables	629,977	629,977	629,977	—	—	—	—
	2,412,114	2,537,050	831,941	95,125	799,657	780,719	29,609

Thousands of Euros	Carrying amount	2020					
		Contractual cash flows	6 months or less	6 months to 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Debentures and other negotiable securities	1,306,623	1,362,250	15,250	—	15,250	723,500	608,250
Bank borrowings	454,147	488,915	198,347	34,324	23,569	232,676	—
Credit accounts	45,629	49,190	14,547	34,642	—	—	—
Other payables	103,638	131,350	45,010	13,110	15,372	49,549	8,308
Finance lease liabilities	92,516	128,763	15,266	17,801	28,387	43,881	23,428
Suppliers and other payables	563,177	563,177	563,177	—	—	—	—
	2,565,730	2,723,645	851,598	99,878	82,577	1,049,606	639,986

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

Interest rate, cash flow and fair value risks

Prosegur is exposed to interest rate risk due to its monetary assets and liabilities maintained in its statement of financial position.

The exposure of Prosegur's financial liabilities (excluding other payables) at the contract review dates is as follows:

Thousands of Euros	6 months or less	6 to 12 months	1 to 5 years	More than 5 years	Total
At 31 December 2021					
Total financial liabilities (fixed rate)	114,206	33,416	1,401,354	14,018	1,562,994
Total financial liabilities (floating rate)	55,223	24,501	31,807	—	111,531
	169,429	57,917	1,433,161	14,018	1,674,525
At 31 December 2020					
Total financial liabilities (fixed rate)	84,017	27,232	756,562	608,648	1,476,459
Total financial liabilities (floating rate)	142,917	48,138	231,401	—	422,456
	226,934	75,370	987,963	608,648	1,898,915

Prosegur analyses its interest rate risk exposure dynamically. In 2021, the majority of Prosegur's financial liabilities at floating interest rates were denominated in Euros, US Dollars and Australian Dollars.

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

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

	Thousands of Euros		
	Total debt	Hedged debt	Debt exposure
At 31 December 2021			
Europe	1,535,410	1,424,292	111,118
ROW	105,478	20,329	85,149
LatAm	141,249	118,373	22,876
	1,782,137	1,562,994	219,143

	Thousands of Euros		
	Total debt	Hedged debt	Debt exposure
At 31 December 2020			
Europe	1,762,057	1,358,193	403,864
ROW	129,506	34,392	95,114
LatAm	110,991	83,877	27,114
	2,002,554	1,476,462	526,092

In relation to the hedged debt as of 31 December 2021, it mainly corresponds to the issuance of two simple bonds for an amount of EUR 603,047 thousand in 2021 (2020: EUR 603,047 thousand) and for EUR 703,576 thousand in 2021 (2020: EUR 703,576 thousand) (Note 24). Additionally, there are liabilities for credit accounts and fixed interest rate bank loans in Chile, The Philippines, Peru, Colombia, Argentina, Brazil, Uruguay and Spain.

At 31 December 2021, had interest rates on bank loans and borrowings been 100 basis points higher, with the other variables remaining constant, post-tax profit would have been EUR 689 thousand lower (2020: EUR 3,728 thousand lower), mainly as a result of higher interest expense on variable rate loans.

32.2. Capital risk management

Prosegur's capital management is aimed at safeguarding its capacity to continue operating as a going concern, with the aim of providing returns for shareholders and profits for other equity holders, while maintaining an optimum capital structure to reduce the cost of capital.

To maintain and adjust the capital structure, Prosegur can adjust the amount of dividends payable to shareholders, reimburse capital, issue new shares or dispose of assets to reduce debt.

Like other groups in the sector, Prosegur controls its capital structure on a leverage ratio basis. This ratio is calculated as net financial debt divided by total capital. Net financial debt is the sum of current and non-current financial liabilities (excluding other non-bank borrowings) plus/less net derivative financial instruments, less cash and cash equivalents, less equity instruments in quoted companies (set out in the section on non-current financial assets) and less other current financial assets, as presented in the statement of financial position. Total capital is the sum of equity plus net financial debt, as presented in the statement of financial position.

The leverage ratio is calculated as follows:

Thousands of Euros	2021	2020
Financial liabilities (Note 24)	1,680,072	1,910,037
Less: other non-bank borrowings (Note 24)	(107,612)	(103,638)
Less: Cash and cash equivalents (Note 21)	(584,950)	(767,011)
Less: Other current financial assets (Note 21)	(955)	(150,000)
Equity instruments of listed companies (Note 18)	(190,749)	(160,774)
Net financial debt	795,806	728,614
Plus: Finance lease liabilities (Note 12)	102,065	92,516
Net financial debt including finance lease liabilities	897,871	821,130
Net Equity	710,726	718,117
Total capital	1,608,597	1,539,247
Leverage ratio	55.82 %	53.35 %
Ratio of Net Financial Debt/Own Stock	1.26	1.14

32.3. Financial instruments and fair value

Classification and fair value

The carrying amounts and fair values of financial instruments, classified by category, are as follows, including the levels of fair value. If the fair values of financial assets and liabilities not measured at fair value are not included it is because Prosegur believes that these are close to their book values owing, to a large extent, to the short-term maturities of these instruments.

31 December 2021

Thousands of Euros

					Fair value			
	Loans and receivables	Financial assets held for trading	Debts and payables	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Deposits and guarantees	13,086	—	—	13,086				
Clients and other receivables	733,160	—	—	733,160				
Other current financial assets	955	—	—	955				
Cash and cash equivalents	584,950	—	—	584,950				
	1,332,151	—	—	1,332,151				
Financial liabilities measured at fair value								
Contingent payments generated during the year	—	22,027	—	22,027	—	—	22,027	22,027
	—	22,027	—	22,027				
Financial liabilities not measured at fair value								
Financial liabilities due to the issuance of debentures	—	—	(1,308,761)	(1,308,761)	(1,252,108)	—	—	(1,252,108)
Financial liabilities with credit institutions	—	—	(263,699)	(263,699)	—	(260,144)	—	(260,144)
Other financial liabilities	—	—	(107,612)	(107,612)	—	(107,612)	—	(107,612)
Finance lease liabilities	—	—	(102,065)	(102,065)	—	(102,065)	—	(102,065)
Suppliers and other payables	—	—	(629,977)	(629,977)	—	(629,977)	—	(629,977)
	—	—	(2,412,114)	(2,412,114)				

31 December 2020

Thousands of Euros

Financial assets not measured at fair value

	Loans and receivables	Financial assets held for trading	Debts and payables	Total
Deposits and guarantees	6,938	—	—	6,938
Clients and other receivables	675,685	—	—	675,685
Other current financial assets	150,000	—	—	150,000
Cash and cash equivalents	767,011	—	—	767,011
	1,599,634	—	—	1,599,634

Financial liabilities measured at fair value

Contingent payments generated during the year	—	(3,833)	—	(3,833)	—	—	(3,833)	(3,833)
	—	(3,833)	—	(3,833)				

Financial liabilities not measured at fair value

Financial liabilities due to the issuance of debentures	—	—	(1,306,623)	(1,306,623)	(1,248,533)	—	—	(1,248,533)
Financial liabilities with credit institutions	—	—	(499,776)	(499,776)	—	(492,190)	—	(492,190)
Other financial liabilities	—	—	(103,638)	(103,638)	—	(103,638)	—	(103,638)
Finance lease liabilities	—	—	(92,516)	(92,516)	—	(92,516)	—	(92,516)
Suppliers and other payables	—	—	(563,177)	(563,177)	—	(563,177)	—	(563,177)
	—	—	(2,565,730)	(2,565,730)				

Fair value			
Level 1	Level 2	Level 3	Total

Valuation methods and inputs employed for financial instruments measured at fair value:

The following are the valuation methods used in 2021 to determine Level 3 fair values, as well as the unobservable inputs employed and the quantitative information of each significant non-observable Level 3 input. The sensitivity analyses are as follows:

Type	Valuation method*	(Unobservable) inputs employed	Interrelationship between key inputs and fair value	Sensitivity analysis
Contingent payments	Discounted cash flows: The valuation model considers the present value of the net cash flows to be generated by the business. The expected cash flows are determined considering the scenarios that may be exercised by Net Debt and EBIT forecasts, the amount to be paid in each scenario and the probability of each scenario. The expected net cash flows are discounted using a risk-adjusted discount rate.	-EBIT -Net Debt	-The estimated fair value would increase (decrease) according to the value of EBIT. -The estimated fair value would increase (decrease) according to the value of net debt.	-If estimated EBIT and net debt were within 5% of the agreed scenario, the value of the contingent payments would have varied by EUR 575 thousand; if these were within 10%, the value of contingent payments would have varied by EUR 1,163 thousand. -In the event of a -5% reduction in EBIT and net debt would have varied by EUR -575 thousand, and a -10% reduction would have resulted in a variation in contingent payments of EUR -1,150 thousand.

Valuation methods for financial instruments not measured at fair value:

Type	Valuation method	(Unobservable) inputs employed
Financial liabilities with credit institutions	Discounted cash flows	Not applicable
Finance lease liabilities	Discounted cash flows	Not applicable
Other financial liabilities	Discounted cash flows	Not applicable

Transfer of assets and liabilities among the various levels

During the reporting period ending at 31 December 2021 there were no transfers of assets and liabilities among the various levels.

33. Other information

The average headcount of Prosegur is as follows:

	2021	2020
Operations personnel	131,623	142,058
Other	9,353	9,750
	140,976	151,808

The average headcount of operations personnel employed by equity-accounted subsidiaries in 2021 is 10,915 employees (2020: 9,550 employees).

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

	2021	2020
Operations personnel	179	203
Indirect personnel	49	46
	228	249

At year end the distribution by gender of Prosegur personnel is as follows:

	2021		2020	
	Man	Woman	Man	Woman
Operations personnel	106,956	26,143	113,181	25,578
Other	4,494	3,165	5,151	3,321
	111,450	29,308	118,332	28,899

The distribution by gender of the Board of Directors and Senior Management personnel of Prosegur is as follows:

	2021		2020	
	Man	Woman	Man	Woman
Board of Directors	7	2	6	2
Senior Management	6	1	8	—
	13	3	14	2

Ernst & Young, S.L., the auditors of the Annual Accounts of Prosegur, have the following fees for professional services during the year:

	Thousands of Euros	
	2021	2020
Auditing fees	836	768
Other audit-related services	70	50
	906	818

Other services related to the audit correspond mainly to limited audits of interim financial statements, reports on procedures agreed for compliance with covenants and others, provided by Ernst & Young, S.L. to Prosegur Compañía de Seguridad, S.A. and subsidiaries for the year ended 31 December 2021.

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 Ernst & Young, S.L. affiliates have invoiced Prosegur the following fees and expenses for professional services during the year:

	Thousands of Euros	
	2021	2020
Audit services	1,334	1,349
Other audit-related services	—	—
Tax advisory services	421	433
Other services	73	332
	1,828	2,114

On the other hand, other auditors have invoiced Prosegur the following fees and expenses for professional services during the year:

	Thousands of Euros	
	2021	2020
Audit services	—	20
	—	20

34. Events after the reporting date

At the date of formulation of the Prosegur Group's consolidated financial statements for the year ended 31 December 2021, there are no significant events after the reporting date.

35. Summary of the main accounting policies

The main accounting policies used in the preparation of these Consolidated Annual Accounts are described below. These principles have been applied consistently throughout the reporting periods presented, with the exception of the contents of Note 35.1.

35.1. Accounting standards

These Consolidated Annual Accounts have been prepared in accordance with the same accounting principles used by the Prosegur Group for the preparation of the Consolidated Annual Accounts dated 1 January 2020, with the exception of the compulsory standards and modifications adopted by the European Union from 1 January 2021.

a) Standards effective from 01 January 2021

- Rent concessions related to COVID-19 beyond 30 June 2021 (Amendment to IFRS 16)

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

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reform to the reference interest rate. Amendments to IFRS 3 Business Combinations.

On the date of these Consolidated Annual Accounts, none of these regulations is expected to have a significant effect on the consolidated financial statements of the Group.

b) Standards effective from 01 January 2020

- Amendments to IFRS 3 Business combinations

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

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

- Amendments to IFRS 16 rent concessions related to COVID-19

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

- Revised version of the Conceptual Framework of IFRS. The revised conceptual framework includes a new chapter on valuation, improves definitions and guidance, and clarifies more important areas such as prudence and uncertainty valuation.
- Amendments to IAS 1 and IAS 8: Definition of materiality. Changes are made to the definition of material to make it easier to make judgments about what is material.

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

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

- Amendments to IAS 1 and to the IFRS Practice Statement on Disclosure of Accounting Policies. The IASB has included guidance and examples for applying judgment in identifying which accounting policies are material. The amendments replace the criterion of disclosing significant accounting policies with material accounting policies.
- Amendments to IAS 8 Definition of accounting estimates. The definition of accounting estimate is updated, which clarifies the difference between changes in accounting estimate, changes in accounting policies and corrections of errors.
- Amendments to IFRS 3 Business combinations. Reference to the conceptual framework. These interpretations replace the reference to the 1989 Conceptual Framework with a reference to that of 2018, without significantly changing its requirements.
- Amendments to IAS 16 Property, plant and equipment: Amounts obtained prior to the intended use. These changes prohibit deducting the amount of the sales obtained from the asset from the acquisition cost of the assets while it taken to the place and given conditions necessary for it to be able to operate in the manner foreseen by the Management. Instead, these amounts will be recorded in the income statement.
- Amendments to IAS 37 Costs of fulfilling a contract. The costs that entities have to include when evaluating whether a contract is onerous or in losses are detailed. The amendments propose a 'direct cost approach'.
- Amendments to IAS 12 Deferred taxes related to assets and liabilities arising from a Single Transaction. These require an entity to recognise deferred taxes in the initial recognition of specific transactions to the extent that the transaction gives rise to equal amounts of deferred tax assets and liabilities.

35.2. Consolidation principles

Subsidiaries

Subsidiaries, including structured entities, are those controlled by the Company, either directly or indirectly via subsidiaries. The Company controls a subsidiary when as a result of its involvement therein it is exposed or entitled to variable returns and has the ability to influence such returns via the power exercised on that entity. The Company has the power when it holds substantive rights in force which provide it with the ability to manage relevant activities. The Company has exposure or rights to variable returns for its involvement in the subsidiary when the returns obtained from said involvement may vary according to the entity's economic performance.

The income, expenses and cash flows of subsidiaries are included in the consolidated annual accounts from the date on which Prosegur obtains control until the date that control ceases.

Transactions and balances held with Group companies and any unrealised profits or losses have been eliminated in the consolidation process. However, unrealised losses were considered to be an indicator of the impairment of the assets transferred.

Subsidiary accounting policies are changed where necessary for consistency with the principles adopted by Prosegur.

The annual accounts or financial statements of the subsidiaries used in the consolidation process have been prepared as of the same date and for the same period as those of the Parent.

Business combinations

Prosegur applies the acquisition method for business combinations. The acquisition date is the date on which Prosegur obtains control of the acquiree.

The consideration paid for the business combination is determined on the acquisition date based on the sum of the fair values of the assets delivered, liabilities incurred or assumed, equity instruments issued and any contingent liabilities that depend on future events or compliance with certain conditions in exchange for the control of the acquired business.

The consideration paid excludes any disbursement that does not form part of the exchange for the business acquired. Costs relating to the acquisition are recognised as an expense as they are incurred.

On the date of acquisition Prosegur recognises the acquired assets, the liabilities assumed (and any non-controlling interest) at fair value. A non-controlling interest in the acquired business is recognised by the amount pertaining to the percentage share in the fair value of the acquired net assets. This criterion is only applicable to non-controlling interests that grant present access to economic rights and the right to the proportional share of the net assets of the acquired entity in the event of liquidation. Otherwise, the non-controlling interests are valued at fair value or value based on market conditions. Liabilities assumed include contingent liabilities insofar as they represent present obligations arising from past events and their fair value may be reliably measured. Prosegur also recognises indemnification assets transferred by the seller at the same time and using the same valuation criteria applied to the item that is subject to indemnification from the acquired business, taking into consideration, where applicable, the insolvency risk and any contractual limit on the indemnity amount.

The assets and liabilities assumed are classified and designated for their subsequent valuation on the basis of the contractual agreements, economic conditions, accounting and operating policies and other conditions on the acquisition date, except the lease and insurance contracts.

The excess of the consideration given, plus the value assigned to non-controlling interests, over the value of the net assets acquired and liabilities assumed is recognised as goodwill. As appropriate, any shortfall after evaluating the consideration given and the value assigned to non-controlling interests, and after identifying and measuring the net assets acquired, is recognised in profit/(loss).

If it is only possible to determine a business combination provisionally at the end of the reporting period, the identifiable net assets are initially recognised at their provisional amounts and adjustments made during the valuation period are recognised as if they had been known at that date. Comparative figures for the previous year are restated where applicable. In any event, adjustments to the provisional values only reflect information relating to facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised at that date (Note 30).

Potential profit from tax losses and other deferred tax assets of the acquiree not recognised due to not meeting the recognition criteria on the acquisition date, is accounted for, to the extent that it does not correspond to an adjustment in the valuation period, as gains from income tax.

The contingent consideration is classified in accordance with the underlying contractual terms as a financial asset or financial liability, equity instrument or provision. Subsequent changes in the fair value of a financial asset or financial liability are recognised in consolidated profit/(loss) or other comprehensive income, provided that they do not arise from a valuation period adjustment. Contingent consideration classified as equity is not remeasured, and subsequent settlement is recognised in equity. Contingent consideration classified as a provision is subsequently recognised in accordance with the relevant valuation standard.

The cost of the business combination includes contingent consideration, if this is probable at the acquisition date and can be reliably estimated. Subsequent recognition of contingent consideration or subsequent variations to contingent considerations are recognised as a prospective adjustment to the cost of the business combination.

Non-controlling interests

Non-controlling interests in subsidiaries are recognised at the acquisition date at the proportional part of the fair value of the identifiable net assets. Non-controlling interests in subsidiaries acquired prior to the transition date were recognised at the proportional part of the equity of the subsidiaries at the date of first consolidation.

The consolidated profit/(loss) for the year and changes in equity of the subsidiaries attributable to Prosegur holding and non-controlling interests after consolidation adjustments and eliminations is determined in accordance with the percentage ownership at the end of the year, without considering the possible exercise or conversion of potential voting rights and after discounting the effect of dividends, agreed or otherwise, on preference shares with cumulative rights classified in equity accounts. However, Prosegur holding and non-controlling interests are calculated taking into account the possible exercise of potential voting rights and other derivative financial instruments which, in substance, currently allow access to the economic benefits associated with the interests held, such as entitlement to a share in future dividends and changes in the value of subsidiaries.

The excess of losses attributable to non-controlling interests incurred prior to 1 January 2010, which cannot be attributed to them as such losses exceed their interest in the equity of the subsidiary, is recognised as a decrease in equity attributable to equity holders of the parent, except when the non-controlling interests are obliged to assume part or all of the losses and are in a position to make the necessary additional investment. Profits obtained in subsequent years are allocated to equity attributable to shareholders of the parent until the non-controlling interest's share in prior years' losses is recovered.

Profit/(loss) and each component of other comprehensive income are allocated to equity attributable to shareholders of the Parent and to non-controlling interests in proportion to their investment, even if this results in a balance receivable from non-controlling interests. Agreements entered into between Prosegur and non-controlling interests are recognised as a separate transaction.

Associates

Associates are those significantly influenced by the Company, directly or indirectly, via subsidiaries. Significant influence means the power to intervene in a company's finance and operating policy, without implying the existence of control or joint control thereupon. When assessing whether an entity has significant influence, the existence of potential voting rights that are exercisable or convertible at the end of each reporting period are considered, as well as the potential voting rights held by Prosegur or by another entity.

Investments in associates are accounted for using the equity method (equity-accounted) from the date on which significant influence is exercised until the date when the Company can no longer prove the existence of said significant influence.

Investments in associates are initially recognised at acquisition cost. Any surplus between the cost of investment and the percentage belonging to Prosegur of the fair values of identifiable net assets is posted as goodwill, which is included in the carrying amount of the investment.

The share of Prosegur in the profit or loss of the associate entities obtained since the date of acquisition is recognised as an increase or decrease in value of the investments, with a debit or credit made to the item Interest in the P&L of the associates, accounted for under the equity method

(equity-accounted) in the consolidated income statement (consolidated statement of comprehensive income). In addition, the share of Prosegur in the other comprehensive income of the associates obtained since acquisition date is posted as an increase or decrease of the value of investments in the associates, recognising the difference in Other comprehensive income. Dividend distributions are recognised as reductions in the value of the investments.

Impairment

Prosegur applies impairment criteria in order to determine whether or not it is necessary to record impairment losses additional to those already recognised in the net investment of the associate or in any other financial asset held therewith as a result of the application of the equity method.

Calculation of impairment is determined as the result of the comparison between the carrying amount associated with the net investment in the associate with its recoverable value, the latter being understood as the greater value between the value in use or fair value less costs of sale or disposal via any other channel. In this regard, value in use is calculated on the basis of the share of Prosegur in the current value of estimated cash flows from ordinary activities and amounts which might result from the final sale of the associate.

The recoverable amount of the investment of an associate is valued according to each associate, unless it is not a cash-generating unit (CGU) (Note 35.10).

Impairment losses are not allocated to goodwill or other assets implicit in the investment in associates arising from the application of the acquisition method. In subsequent years, value reversals of investments are recognised in profit/(loss), insofar as there is an increase in recoverable value. Impairment losses are presented separately from the Prosegur share in the profit/(loss) of the associates.

Joint arrangements

Joint arrangements are those in which there is a contractual agreement to share the control over an economic activity, in such a way that decisions relating to the relevant activities require the unanimous consent of Prosegur and the remaining venturers or operators. The assessment of the existence of joint control is carried out according to the definition of control of subsidiaries.

Joint Ventures

Investments in joint ventures are accounted for applying the equity method. This method consists of including under the consolidated balance sheet heading 'Investments accounted for using the equity method' the value of net assets and goodwill, if applicable, corresponding to the holding in the joint venture. Net profit/(loss) obtained each year corresponding to the percentage interest in joint ventures is shown in the consolidated income statement as 'Share in profit/(loss) of equity-accounted investees'. Prosegur decided to present that profit/(loss) as part of its operating income as it considered that the profit/(loss) of its joint ventures form part of its operations.

Dividend distributions from joint ventures are recognised as reductions in the value of the investments. The losses of joint ventures which pertain to Prosegur are limited to the value of the net investments, except for those cases in which Prosegur has assumed legal or constructive obligations, or else has made payments in the name of joint ventures.

Joint Operations

In regard to joint operations, in its Consolidated Annual Accounts Prosegur recognises its assets, including its interest in jointly controlled assets; its liabilities, including its interest in liabilities assumed jointly with other operators; the income obtained from the sale of its share of production arising from the joint operation, and its expenses, including the part pertaining to its joint expenses.

In sales transactions or contributions by Prosegur to joint operations, only the results pertaining to the share of the rest of operators are recognised, unless the losses should highlight a loss or impairment of value of assets transferred, in which case, these will be recognised in full.

In transactions where Prosegur purchases from joint operations, results are only recognised when assets acquired are sold to third parties, unless the losses should highlight a loss of value or impairment of the acquired assets, in which case Prosegur shall recognise the proportional share of the losses pertaining to it in full.

The acquisition by Prosegur of the initial and subsequent interest in a joint operation, is recognised applying the criteria applied for business combinations, by the percentage share held in the individual assets and liabilities. However, in the subsequent acquisition of an additional share of a joint operation, the previous share in individual assets and liabilities is not subject to revaluation.

35.3. Consolidated income statement based on function

Prosegur opts to present the expenses recognised in the income statement using a classification based on their function within the company, as it considers that this method provides users with more relevant information than a classification of expenses based on their nature.

35.4. Segment reporting

A business segment is a group of assets and operations that is engaged in providing products or services and which is subject to risks and rewards that are different from those of other segments.

A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and rewards that are different from those of segments operating in other economic environments.

Costs are directly allocated to each of the defined segments. Each geographical area has its own functional structure. Certain functional overheads are common to all activity segments and are distributed according to the time spent or extent of use.

35.5. Foreign currency transactions

Functional and presentation currency

The Consolidated Annual Accounts of each Prosegur entity are presented in the currency of the main economic environment in which it operates ('functional currency'). The figures disclosed in the Consolidated Annual Accounts are expressed in thousands of Euros (unless stated otherwise), the Parent's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the transaction date. Foreign currency profit and loss arising on the settlement of these transactions and on the translation of monetary assets and liabilities denominated in foreign currencies at the closing exchange rate are recognised in the income statement, unless they are recognised directly in equity as cash flow hedges.

Foreign exchange profit and loss relating to loans and cash and cash equivalents are recognised in the income statement under financial income or expenses.

Changes in the fair value of monetary securities denominated in foreign currencies and classified as available for sale are analysed to distinguish between translation differences resulting from changes in the amortised cost of the securities and other changes in the carrying amount of the securities. Translation differences are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary items, such as equity instruments at fair value through profit or loss, are recognised as changes in fair value. Translation differences on non-monetary items, such as equity instruments classified as available-for-sale financial assets, are recognised in the revaluation reserve in equity.

Differences on translation of deferred tax assets and liabilities denominated in foreign currencies and deferred income taxes are included in profit/(loss).

In the consolidated statement of cash flows, cash flows from foreign currency transactions have been translated into Euros at the exchange rates prevailing at the date the cash flows occurred. The effect of exchange rate fluctuations on cash and cash equivalents denominated in foreign currencies is recognised separately in the statement of cash flows as 'Effect of exchange differences on cash'.

Translation of foreign operations

Prosegur applied the exemption permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards relating to cumulative translation differences. Consequently, translation differences recognised in the consolidated annual accounts generated prior to 1 January 2004 are included in retained earnings. As of that date, foreign operations whose functional currency is not the currency of a hyperinflationary economy have been translated into Euros as follows:

- i. Assets and liabilities, including goodwill and net asset adjustments derived from the acquisition of the operations, including comparative amounts, are translated at the closing exchange rate at the reporting date;
- ii. Income and expenses of each income statement are translated at the average monthly exchange rate;
- iii. All resulting exchange differences are recognised as translation differences in other comprehensive income.

On consolidation, exchange differences arising on the translation of a net investment in foreign entities, and of loans and other instruments in foreign currency designated as hedges of these investments, are recognised in the shareholders' equity. When these investments are sold, the exchange differences are recognised in the income statement as part of the profit or loss on the sale.

35.6. Property, Plant and Equipment

Land and buildings mainly comprise operating regional offices. Property, plant and equipment are recognised at cost less depreciation and any accumulated impairment losses, except in the case of land, which is presented at cost net of any impairment losses.

Historical cost includes all expenses directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, provided that it is probable that the future economic benefits associated with the items will flow to Prosegur and the cost of the item can be reliably measured. The carrying amount of the replaced item is derecognised. Other repairs and maintenance costs are taken to the income statement when incurred.

Land is not depreciated. Other assets are depreciated on a straight-line basis to allocate the cost or revalued amount to residual value over the following estimated useful lives:

	Ratio (%)
Constructions	2 and 3
Technical installations and machinery	10 to 25
Other installations and tools	10 to 30
Furniture	10
Computer equipment	25
Transport elements	10-16
Other property, plant and equipment	10 to 25

Prosegur reviews the residual values and useful lives of assets and adjusts them, if necessary, as a change in accounting estimates at the end of each reporting period.

When the carrying amount of an asset exceeds its estimated recoverable amount, it is immediately written down to the latter (Note 35.10).

Profit and loss on the sale of property, plant and equipment are calculated as the difference between the consideration received and the carrying amount of the asset and are recognised in the income statement.

35.7. Rights of use and lease liabilities

On 1 January 2019, the Group adopted IFRS 16, on Leases. The Prosegur Group opted to use the combined modified retrospective approach on transition which involves applying the standard retroactively with the cumulative effect from the date of first-time application, without restating the information presented in 2018 under the aforementioned standards.

At the start of a contract, Prosegur evaluates whether it contains a lease. A contract is or contains a lease if it grants the right to control the use of the asset identified for a period of time in exchange for a consideration. The length of time during which the Prosegur Group uses an asset includes consecutive and non-consecutive periods of time. Prosegur only reassesses the conditions when a contract is amended.

In contracts containing one or more components which are lease-related and non-lease-related, Prosegur assigns the consideration set in the contract for each lease component according to the sales price of each individual lease-related component, and the aggregate individual price of the non-lease-related components.

In contracts with one or more lease and non-lease components, the Group deems all components as one sole lease component.

The Prosegur Group has also chosen to not recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short-term lease contracts (leases for one year or less) and leases for low value assets (USD 5 thousand or less). For this type of contracts, the Group recognises straight-line payments during the lease term.

Lessee accounting

At the commencement of the lease term, Prosegur recognises a right of use asset and lease liability. The right of use asset is composed of the amount of the lease liability, any payment for the lease made on or prior to the starting date, less any incentives received, the initial direct costs incurred and an estimate of the costs for decommissioning or restoration to be incurred, as indicated in the accounting policy provisions.

The Prosegur Group measures the lease liability as the current value of the lease payments which are outstanding at the commencement date. The Prosegur Group discounts lease payments at the appropriate incremental interest rate, unless the implicit interest rate of the lessor may be determined reliably.

The pending lease payments are comprised of fixed payments, less any incentive to be collected, the variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, the amounts expected to be paid for residual value guarantees, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Prosegur Group measures the right of use assets at cost, less accumulated depreciation and impairment losses, adjusted by any reassessment of the lease liability.

If the contract transfers ownership of the asset to the Group at the end of the lease term or if the right of use asset includes the price of the purchase option, the depreciation criteria indicated in Note 35.6 are applied from the lease commencement date until the end of the useful life of the asset. Otherwise, Prosegur depreciates the right of use asset from the commencement date until the date of the useful life of the right or the end of the lease term, whichever is the earlier.

The Prosegur Group applies the criteria for impairment of non-current assets set out in Note 35.10 to right of use assets.

The Prosegur Group measures the lease liability increasing it by the financial expenses accrued, decreasing it by the payments made and reassessing the carrying amount due to any amendments to the lease or to reflect any reviews of the in-substance fixed lease payments.

The Prosegur Group records any variable payments that were not included in the initial valuation of the liability in the profit/(loss) for the period in which the events resulting in payment were produced.

The Group records any reassessments of the liability as an adjustment to the right of use asset, until it is reduced to zero, and subsequently in income/(loss).

The Prosegur Group reassesses the lease liability discounting the lease payments at an updated rate, if any change is made to the lease term or any change in the expectation of the purchase option is being exercised on the underlying asset.

The Group reassesses the lease liability if there is any change in the amounts expected to be paid for a residual value guarantee or any change in the index or rate used for determining payments, including any change for reflecting changes in market rents once these have been reviewed.

The Group recognises an amendment to the lease as a separate lease if it increases the scope of the lease by adding one or more rights of use and the amount of consideration for the lease increases by an amount consistent with the individual price for the increased scope and any adjustment to the individual price to reflect the specific circumstances of the contract.

If the amendment does not result in a separate lease, on the amendment date the Group assigns the consideration to the amended contract as indicated above, it re-determines the term of the lease and reassesses the value of the liability discounting the revised payments at the revised interest rate. The Group writes down the carrying amount of the right of use asset to reflect the partial or total end of the lease in any amendments that reduce the scope of the lease and it records the profit or loss in income. For all other amendments, the Group adjusts the carrying amount of the right of use asset.

Lessor accounting

The Group will classify each lease either as an operating lease or as a finance lease.

A lease will be classified as a finance lease if it substantially transfers all risks and benefits inherent to the ownership of an underlying asset. A lease will be classified as an operational lease if it does not substantially transfer all risks and benefits inherent to the ownership of an underlying asset.

Finance leases

On the starting date, the Group recognises those assets in its statement of financial position maintained by means of a finance lease and presents them as receivables for an amount equal to that of the net investment in the lease. The implicit interest rate is used in the lease to measure the net investment in the lease. The initial direct costs other than those withstood by the lessors that are manufacturers or distributors, are included in the initial appraisal of the net investment in the lease and reduce the amount of income recognised during the lease term.

The lease payments included in the appraisal of the net investment in the lease include the following payments for the right of use of the underlying asset during the lease term that have not been received on that date: fixed payments, less any incentive to be paid, variable payments that depend on an index or rate, initially appraised by the index or rate applicable on the starting date, any residual value guarantees furnished by the lessor to the lessee, the price of exercising the purchase option whose exercise is reasonably certain and any compensation payments for contract termination, providing the term of the lease reflects the termination option.

The Group recognises the financial income during the term of the lease, based on a pattern reflecting a constant periodic rate of return on the Groups net investment in the lease.

The Group distributes the financial income on a systematic, rational basis throughout the term of the lease and deducts the lease payments for the year from the gross investment in the lease, to reduce both the principal and the unearned financial income.

Operating leases

The Group recognises lease payments arising from operating leases as income, either on a straight-line basis, or using another systematic basis. The Group applies another systematic basis if it is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

The Group recognises the costs, including depreciation, incurred for obtaining lease income as an expense.

The Group adds the initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognises those costs as an expense over the lease term on the same basis as the lease income.

The Group books the amendment of an operating lease as a new lease from the effective date of the amendment and considers that any lease payments already made or due in relation to the original lease form part of the payments under the new lease.

35.8. Intangible assets

Goodwill

Goodwill is the amount by which the cost of acquisition exceeds the fair value of Prosegur's share of the acquired subsidiary's identifiable net assets at the acquisition date. Goodwill impairment is verified every year (Note 35.10) posted at cost less accumulated impairment losses. Profit and loss on the sale of an entity include the carrying amount of the goodwill allocated to the sold entity.

For impairment testing purposes, goodwill is allocated to cash-generating units (CGU). Goodwill is allocated to those CGU that are expected to benefit from the business combination from which the goodwill arose.

Goodwill encompasses the part corresponding to the minority interests in the Group.

Client portfolios

The relationships with clients that Prosegur recognises under client portfolios are separable and based on a contractual relationship, thus meeting the requirements set out in prevailing legislation for consideration as intangible assets separate from goodwill. In general, these are client service contracts that have been acquired from third parties or recognised in the allocation of fair values in business combinations.

Portfolios of contracts with clients are recognised at fair value on the acquisition date less amortisation and accumulated impairment losses.

The fair value allocated to client contract portfolios acquired from third parties is the purchase price. To determine the fair value of intangible assets allocated in business combinations in the form of client relationships, Prosegur uses the income approach, discounting the cash flows generated by these relationships at the date of acquisition of the subsidiary. Cash flows are estimated based on the sales, operating investments and EBITDA margins projected in the Company's business plans.

Prosegur amortises client portfolios on a straight-line basis over their estimated useful lives. The useful life is estimated based on indicators such as average length of relationship with clients or the average annual client churn rate. The useful lives allocated to these intangible assets are reviewed at the end of each reporting period. Client portfolios have useful lives of between 5 and 22 years.

Client portfolios are allocated to cash-generating units (CGU) in accordance with their respective business segment and the country of operation.

Moreover, at the end of each reporting period, Prosegur assesses whether the recoverable amount is affected by any impairment loss. The tests to determine whether there are indications of impairment of client portfolios mainly consist of:

- Verifying whether events have taken place that could have a negative impact on the estimated cash flows from the contracts making up the portfolio (such as a decline in total sales or EBITDA margins).
- Updating the estimated client churn rates to identify any changes to the periods for which client portfolios are expected to generate revenues.

If there are indications of impairment, the recoverable amount of a client portfolio is based on the current value of the reassessed cash flows from the contracts over their useful lives.

If client churn rates have risen, Prosegur reassesses the useful lives of client portfolios.

Trademarks and licences

Trademarks and licences are presented at historical cost. They have defined useful lives and are recognised at cost less amortisation and accumulated impairment losses. Trademarks and licences are amortised on a straight-line basis to allocate the cost over their estimate useful lives (1.6 to 30 years).

Computer software

Computer software licences acquired are capitalised at cost of acquisition or cost of preparation of the specific software for its use. These expenses are amortised over the estimated useful lives of the assets (3 to 5 years).

Computer software maintenance costs are charged as expenses when incurred.

35.9. Property investments

Prosegur classifies as property investments the buildings to be used in full or in part to obtain rent, capital gains or both, instead of for use in the production or supply of goods or services, or else for the administrative purposes of Prosegur or sale in the ordinary course of business. Property investments are initially recognised at cost, including transactions costs.

Prosegur values property investments subsequent to initial recognition applying the criteria of cost or attributed cost used for property, plant and equipment. The amortisation methods are those contained in that section. The estimate useful life of property investments is of 50 years.

35.10. Impairment losses

If an event or change in circumstances indicates that the carrying amount of assets subject to amortisation or depreciation may not be recoverable, Prosegur determines whether impairment losses have been incurred. The difference between the carrying amount of the asset and its recoverable amount is recognised as an impairment loss. The recoverable amount is the greater between the fair value of an asset less the costs to sell or other type of disposal, or the value in use. For impairment testing purposes, assets are grouped at the lowest level for which separate identifiable cash flows can be identified (cash-generating units, CGU). Impaired non-financial assets other than goodwill are reviewed at the end of each reporting period to assess whether the loss has been reversed.

Impairment losses on goodwill

Goodwill has been allocated to Prosegur's cash-generating units (CGU) in accordance with their respective country of operation. Goodwill is allocated to CGU for impairment testing purposes. Goodwill is allocated to those CGU that are expected to benefit from the business combination from which the goodwill arose.

The recoverable amount is the higher between its fair value less costs to sell or otherwise dispose and its value in use, which is understood to be the present value of estimated future cash flows. To estimate the value in use Prosegur prepares forecasts of future cash flows before tax based on the most recent budgets approved by Management. These budgets incorporate the best available estimates of income and expenses of the cash-generating units (CGU) using past experience and future expectations. These budgets have been prepared for the next five years, and future cash flows have been calculated by applying non-increasing estimated growth rates that do not exceed the average long-term growth rate for the business in which the CGU operates.

Management determined EBITDA (earnings before interest, tax, depreciation and amortisation) based on past returns and the foreseeable development of the market.

To calculate present value, cash flows are discounted at a rate that reflects the cost of capital of the business and the geographical region in which it operates. This calculation takes into account the current value of money and the risk premiums of each country used generally among analysts for the geographical area.

If the recoverable amount is less than the carrying amount of the asset, the difference is recognised under impairment losses in the consolidated income statement (Note 13).

Impairment losses on goodwill are not reversible.

As well as testing for impairment, a sensitivity analysis on goodwill is performed, which consists of verifying the impact of deviations in key assumptions on the recoverable amount of a CGU (Note 13).

35.11. Financial assets

Classification

Financial assets are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definition of a financial asset.

For the purposes of their valuation, financial assets are classified in categories of financial assets at fair value through profit or loss, separating those initially designated from those held for trading, financial assets measured at amortised cost and financial assets measured at fair value with changes in other comprehensive income, separating equity instruments designated as such from the rest of the financial assets. Prosegur classifies financial assets, other than those designated at fair value through profit or loss and equity instruments designated at fair value with changes in other comprehensive income, in accordance with the business model and the characteristics of the financial asset's contractual cash flows.

Prosegur classifies a financial asset at amortised cost, if it is held in the framework of a business model whose purpose is to hold financial assets for obtaining contractual cash flows and the contractual terms of the financial asset lead, on specific dates, to cash flows which are solely payments of principal and interest on the outstanding principal amount (SPPI).

Prosegur classifies a financial asset at fair value with changes in other comprehensive income, if it is held in the framework of a business model whose purpose is achieved by obtaining contractual cash flows and selling financial assets and the contractual terms of the financial asset lead, on specific dates, to cash flows that are SPPI.

The business model is determined by key staff of Prosegur and at a level that reflects the way in which groups of financial assets are managed jointly for achieving a specific business target. The business model of the Group represents the way in which it manages its financial assets for generating cash flows.

Financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows are managed for generating cash flows in the form of contractual receivables during the life of the instrument. The Group manages the assets held in the portfolio for collecting those specific contractual cash flows. To determine whether the cash flows are obtained by collecting contractual cash flows from the financial assets, the Group considers the frequency, the value and the timing of the sales in previous years, the reasons for those sales and the expectations in relation to the future sales activity.

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and sell them are managed for generating cash flows in the form of contract receivables and selling them depending on the different requirements of Prosegur.

Other financial assets are classified at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Prosegur provides money, goods or services directly to a debtor without the intention of trading the receivable. They are classified as current assets unless they mature in more than 12 months after the reporting date, in which case they are classified as non-current. Loans and receivables are generally recognised under Clients and other receivables in the statement of financial position (Note 35.13).

Equity instrument

In this category Prosegur classifies equity instruments of other companies that have not been classified in any other financial asset category.

Other non-current financial assets

In this category Prosegur includes fixed-term deposits and third-party borrowings.

Recognition, valuation and derecognition of financial assets

Acquisitions and disposals of financial assets are recognised on the trade date, i.e. the date on which Prosegur commits to acquire or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not recognised at fair value through profit or loss. Investments are derecognised when they expire or the contractual rights to the cash flows from the investment have been transferred and Prosegur has transferred substantially all the risks and rewards of ownership.

The equity instruments are subsequently recorded at their fair value with changes in other comprehensive income or in the income statement, in keeping with the above.

Loans and receivables and other financial assets are subsequently accounted at amortised cost using the effective interest method.

Unrealised profit and loss arising from changes in the fair value of non-monetary securities classified as available for sale are recognised in equity. When securities classified as available for sale are sold or incur irreversible impairment losses, the accumulated adjustments in fair value are included in the income statement as profit and loss on the securities.

Prosegur tests financial assets or groups of financial assets for impairment at the end of each reporting period. In the case of equity securities classified as available for sale, to determine whether they are impaired the Company considers whether a significant or prolonged decline has reduced the fair value of the securities to below cost.

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

Prosegur derecognises financial assets when they expire or the rights over the effective cash flows of the corresponding financial asset have been assigned, and the risks and benefits inherent to their ownership have been substantially transferred, such as in assignments of trade receivables in factoring operations in which the company has no credit risk or interest rate risk.

Conversely, Prosegur does not derecognise financial assets, and recognises financial liabilities in an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent to their ownership are substantially retained, such as discounted cash or factoring with recourse, in which the assigning company retains subordinated financing or other types of guarantees that substantially absorb all the expected losses.

35.12. Inventories

Inventories are measured at the lower of cost and net realisable value, with the following exceptions:

- Inventories held in warehouses and uniforms are measured at weighted average cost.
- Work in progress is measured at the cost of the installation, which includes materials and spare parts used and the standard cost of the corresponding labour, which does not differ from the actual costs incurred during the year.

The net realisable value is the estimated selling price in the normal course of business less any variable costs to sell.

35.13. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment. An impairment of trade receivables is established when there is objective evidence that Prosegur will not be able to collect all amounts due as per the original terms of the receivables, and a credit risk impairment based on the expected loss, which is calculated on the basis of the average percentage of the bad debts of each client over recent years, applied to sales due but for which no provision has yet been made. Financial difficulties affecting the debtor, the likelihood that the debtor will enter insolvency proceedings or a financial restructuring process, or a default or delay in payments are considered to indicate that a receivable is impaired. The amount of the impairment loss is the difference between the carrying amount of the asset and the current value of the estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced as the allowance account is used and the loss is taken to the income statement. When a receivable is a bad debt, it is written off against the allowance account for receivables.

35.14. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits in credit institutions, other short-term, highly liquid investments with a maturity of three months or less and bank overdrafts. Bank overdrafts are recognised in the statement of financial position as current financial liabilities.

35.15. Share capital

Ordinary shares are classified as equity.

35.16. Own shares

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 purchase price and the nominal share price is charged or credited to reserves.

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

35.17. Provisions

Provisions for restructuring and litigation are recognised when:

- i. Prosegur has a present obligation (legal or constructive) as a result of past events.
- ii. It is more probable than an outflow of resources will be required to settle the obligation.
- iii. A reliable estimate has been made of the amount of the obligation.

Where there is a number of similar obligations, the probability that an outflow will be required for the settlement is determined by considering the class of obligations as a whole. A provision is recognised even if an outflow of resources in connection with any item included in the same class of obligations is unlikely.

Restructuring provisions include lease cancellation penalties and employee termination benefits. No provision is recognised for future operating losses.

Management estimates the provisions for future claims based on historical claims, as well as any recent trends indicating that past information on costs could differ from future claims. Additionally, Management is assisted by external labour, legal and tax advisors to make the best estimates (Note 23).

Provisions are measured at the current value of the estimated expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Increases in the provision due to the passage of time are recognised as an interest expense.

35.18. Financial liabilities

Financial liabilities are classified on initial recognition in accordance with the economic substance of the contractual arrangement and the definitions of financial liability.

Financial liabilities are initially recognised at fair value less any transaction costs and are subsequently measured at amortised cost. Any difference between the funds obtained (net of arrangement costs) and the repayment amount is recognised in the income statement over the term of the liability using the effective interest rate method.

Liabilities are classified as current unless Prosegur has an unconditional right to defer settlement for at least twelve months after the reporting date.

Fees and commissions paid for credit facilities are recognised as loan transaction costs provided that it is probable that one or all of them will be drawn down. In this case, the fees and commissions are deferred until funds are drawn. If there is no evidence that the credit facility is likely to be drawn down, the fees and commissions are capitalised as a prepayment for liquidity services and amortised over the term of the credit facility.

35.19. Current and deferred taxes

Tax expense for the year comprises current tax and deferred tax. Tax is recognised in the income statement unless it is paid on items recognised directly in equity, in which case the tax is also recognised in equity.

The current tax expense is calculated in accordance with tax laws that have been enacted or substantially enacted at the reporting date in the countries in which the subsidiaries and associates operate and generate taxable income. Management regularly assesses the judgements made in tax returns where situations are subject to different interpretation under tax laws, recognising, if necessary, the corresponding provisions based on the expected tax liability.

A significant degree of judgement is required to determine the provision for income tax payable globally. In many transactions and calculations during the ordinary course of business, the final tax amount is uncertain.

If the Group considers it is likely that the tax authority will accept an uncertain tax treatment, the Group will establish the taxable gain (loss), the tax bases, unused tax losses, unused tax credits or the tax rates consistent with the tax treatment used or intended to be used in its income tax returns.

If the Group considers it unlikely that the tax authority will accept an uncertain tax treatment, the Group will reflect the effect of the uncertainty to establish the taxable gain (loss), the tax bases, unused tax losses or credits or the corresponding tax rates. The Group will reflect the effect of the uncertainty for each uncertain tax treatment by using the most likely amount or the expected value of the probability-weighted amounts.

Deferred tax is calculated using the balance sheet method, based on temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the Consolidated Annual Accounts. However, if deferred tax assets or liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affect neither accounting profit nor taxable income, they are not recognised.

Deferred tax assets or liabilities are measured using the tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date and are expected to be applicable when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets and liabilities are recognised in respect of the temporary differences that arise from investments in subsidiaries and associates, except where Prosegur is able to control the timing of the reversal of the temporary differences and it is probable that they will reverse in the foreseeable future.

Prosegur recognises the translation of a deferred tax asset into Public Administration receivables when it is payable pursuant to the provisions of tax legislation in force. Likewise, Prosegur recognises the exchange of a deferred tax asset for Public Debt Securities when ownership thereof is acquired.

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to do so and intends either to settle liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously.

The Group only offsets deferred income tax assets and liabilities if there is a legal right to offsetting in respect of the tax authorities and said assets and liabilities correspond to the same tax authority, and to the same taxable entity or different taxable entities that intend to settle or realise current tax assets and liabilities in their net amount or realise the assets and settle the liabilities simultaneously, in each of the future years in which they expect to settle or recover significant amounts of deferred tax assets or liabilities.

Deferred tax assets and liabilities are recognised in the consolidated statement of financial position as non-current assets or liabilities, irrespective of the expected date of realisation or settlement.

35.20. Employee benefits

Compensations based on the quoted share price of Prosegur Group shares 2018-2020 and 2021-2023 Plan

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 Group's share quotation price at the close of the period.

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

Compensation based on Grupo Prosegur 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 fair value of the incentives indexed to the listed share price at the time of concession has been calculated on the basis of the average listed price during the 15-stock market session previous to the date of the session held on 29 October 2020, the amount being EUR 2.029 per share. The 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.

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

Termination benefits

Termination benefits are recognised on the earlier date between the one on which Prosegur may no longer withdraw the offer and when restructuring costs entailing the payment of termination benefits are recognised.

In termination benefits resulting from the decision of employees to accept an offer, it is deemed that Prosegur may no longer withdraw the offer, on the earlier date between the one on which the employees accept the offer and when a restriction on the ability of Prosegur to withdraw the offer takes effect.

In the case of benefits for involuntary termination, it is considered that Prosegur can no longer withdraw the offer when the plan has been notified to affected employees and union representatives, and the actions necessary to complete it indicate that the occurrence of significant changes to the plan are unlikely, the number of employees to be terminated, their employment category or duties and place of employment and the anticipated termination date are identified, and it establishes the termination benefits that the employees are going to receive in sufficient detail so that the employees are able to determine the type and amount of remuneration they will receive when terminated.

If Prosegur expects to settle the benefits in their entirety within twelve months of the reporting period, the liability is discounted using the market performance yield corresponding to the issue of high-quality corporate bonds and debentures.

Short-term employee remuneration

Short-term employee remuneration is remuneration to employees, other than termination benefits, whose payment is expected to be settled in its entirety within 12 months of the end of the reporting period in which the employees have rendered the services for the remuneration.

Short-term employee remuneration is reclassified as long-term if the characteristics of the remuneration are modified or if a non-provisional change occurs in settlement expectations.

Prosegur recognises the anticipated cost of short-term remuneration as paid leave whose rights accumulate as the employees render the services granting them the right to collection. If the leaves are not cumulative, the expense is recognised as the leaves take place.

Profit-sharing plans and bonuses

Prosegur calculates the liability and expense for bonuses and profit-sharing using a formula based on EBITDA (earnings before interest, tax, amortisation and depreciation).

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

Management remuneration

As well as profit-sharing plans, Prosegur has incentive plans for Senior Management linked to the achievement of certain targets set by the corresponding remuneration committees. At the end of the reporting period, provision has been made for these plans based on Prosegur Management's best possible estimate of the extent to which targets will be met.

Defined benefit schemes

Prosegur includes in defined benefit plans those financed through the payment of insurance premiums where there is the legal or constructive obligation to directly pay employees the benefits committed as soon as they are payable or to pay additional amounts if the insurer does not disburse the benefits corresponding to services provided by employees in the year or in previous years.

Liabilities for defined benefits recognised in the consolidated statement of financial position correspond to the current value of the defined benefit obligations existing at the reporting date, less the fair value at said date of the assets under the scheme.

The current value of employee benefits depends on a number of factors determined using various assumptions on an actuarial basis. The assumptions employed to calculate the net expense (income) include the discount rate. Any change in these assumptions will affect the carrying amount of employee benefits.

In those cases in which the result obtained from the undertaking of the aforementioned operations is negative, in other words an asset arises, Prosegur recognises this up to the limit of the amount of the current value of any economic benefit available in the form of reimbursements from the scheme or reductions in future contributions thereto. The economic benefit is available for Prosegur if it is realisable at any moment during the life of the plan or in the settlement of plan liabilities, even if not immediately realisable at the reporting date.

Income or expense related to defined benefit schemes is recognised as other employee benefits expenses and is the sum of the net current service cost and the net interest cost of the net liabilities or assets for defined benefits. The recalculation of the valuation of net liabilities or assets for defined benefits is recognised in other comprehensive income. The latter includes actuarial profits and

losses, the net return on scheme assets and any change in the effects of the asset limit, excluding any quantities included in the net interest on liabilities or assets. The costs of administering plan assets and all types of taxes characteristic of these, other than those included in the actuarial assumptions, are deducted from the net return of the scheme assets. Amounts deferred in other comprehensive income are reclassified to retained earnings in the same reporting period.

Prosegur likewise recognises the cost of past services as an expense of the reporting period on the earlier date between the one on which the modification or reduction of the plans takes place and when the corresponding restructuring or termination benefits are recognised.

The current value of defined benefit obligations is calculated annually by independent actuaries using the projected credit unit method. The discount interest rate of the net asset or liability for defined benefits is calculated based on the yield on high-quality corporate bonds of a currency and term consistent with the currency and term of the post-employment benefit obligations.

Discretionary contributions of employees or third parties to defined benefit schemes reduce the service cost for the reporting period in which they are received. Contributions of employees or third parties established in the terms of the plan reduce the service cost of the service periods if they are associated with the service or reduce recalculations. Changes in contributions associated with the service are recognised as a cost for a current or past service, if they are not established in the formal terms of the scheme and do not derive from a constructive obligation or as actuarial losses and gains, if they are established in the formal terms of the scheme or derive from a constructive obligation.

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

Assets or liabilities for defined benefits are recognised as current or non-current depending on the term of realisation or maturity of the relevant benefits.

35.21. Revenue recognition

Recognition of revenue from contracts with customers (IFRS 15)

On 1 January 2018, the Group adopted IFRS 15, concerning the recognition of revenue from contracts with clients. The Prosegur Group opted for the transition option provided in the Standard, which involves applying IFRS 15 recognising the cumulative effect as an adjustment at the date of initial application, without restating the information presented in 2017 under the aforementioned standards.

Pursuant to IFRS 15, revenue is recognised in an amount reflecting the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a client, when the client obtains the control of the goods or services provided. Determining the time at which said control is transferred (at a specific time or over a period of time) requires the exercise of judgement by the Group. This Standard replaces the following standards: (a) IAS 11 Construction Contracts; (b) IAS 18 Revenue, and the related interpretations (IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue – Barter Transactions Involving Advertising Services).

Moreover, with the application of IFRS 15 incremental costs of obtaining a contract must be recognised as an asset (success fees, mainly, and other expenses paid to third parties) and are recognised in the income statement to the extent that the revenue related to that asset is allocated.

IFRS 15 establishes a new five-step model applied to the accounting for revenue from contracts with clients:

Step 1: Identify the contract(s) with the client

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue recognition by business:

Guarding and cash services

Most of Prosegur's revenue comes from active surveillance services, protection of individuals and premises, and cash management and cash-in-transit. The new IFRS 15 standard requires the use of a uniform method for recognising revenue for contracts and performance obligations with similar characteristics. The method chosen by the Group to measure the value of the services the control of which is transferred to the client over time is the product method, provided that through the contract and during its execution it is possible to measure the progress in the work carried out. Product methods recognise revenue on the basis of direct measurements of the value for the client of the goods or services transferred so far in relation to the pending goods or services pledged in the contract.

Revenue from services is recognised during the period in which they are rendered. In fixed price contracts, revenue is recognised to the extent that current services are rendered at the end of the period as a proportion of the total services rendered.

If the services provided by Prosegur exceed the unconditional right to payment, a contractual asset is recognised. If the payment received by the client exceeds the recognised income, a contractual liability is recognised.

If the contract includes an hourly rate, the revenue is recognised for the amount that Prosegur is entitled to collect. Billing is performed monthly and the collection right is unconditional once the bill is raised.

Technology Services

Part of the Company's revenue corresponds to contracts with clients for studying and fitting security-related systems. These projects are considered as a single performance obligation implemented over time. This is because the projects are designed specifically for the clients and involve projects with a high degree of integration. The revenue from projects is recognised over time due to the fact that Prosegur's work produces an asset controlled by the clients and furthermore with no alternative use for Prosegur; it is entitled to collect for the work completed up until reporting date.

Prosegur books the revenue from contracts using the method of allocating resources based on the costs incurred in relation to total estimated costs. Prosegur makes adjustments according to progression for inefficiencies not initially contemplated in the contract. Conversely, Prosegur only recognises revenue in relation to the cost incurred, to the extent that Prosegur delivers an item that is not different, the client expects to take control of the item prior to obtaining the service for that item, the cost of the item delivered is significant in respect of the total expected costs and Prosegur purchases the item from a supplier and is not significantly involved in the design and manufacture of the item.

Prosegur adjusts the rate of progression according to the change in circumstances and records the impact as a change in the estimate prospectively.

Revenue recognised according to the progression rate is recognised as an asset under contract, as the amount is not due, and as an account receivable if there is an unconditional right to collect. If the payment received by the client exceeds the recognised income, a contractual liability is recognised.

Alarm Services

Within Prosegur there is a segment of activity called home security, whose purpose is the installation of alarm connections, either for sale or for hire. The method chosen by the Group to measure the value of the services the control of which is transferred to the client over time is the product method, provided that through the contract and during its execution it is possible to measure the progress in the work carried out.

With regard to the installation of alarm connections for sale, the revenue from the installation is recognised at the time when this takes place. The cost of the equipment, which includes its price, is recognised at the time of installation. The services provided subsequently to the installation are recognised throughout the period in which they are provided, and the costs associated with these services are recognised when they are incurred.

With regard to the installation of alarm connections for hire, the revenue from the installation is recognised over the term of the contract. The cost of the equipment, which includes its price, is recognised and depreciated applying the criteria for the accounting policy of property, plant and equipment in accordance with the useful life of the systems installed. The services provided subsequently to the installation are recognised throughout the period in which they are provided, and the costs associated with these services are recognised when they are incurred.

The services of alarm installation and connection are highly interrelated due to the fact that Prosegur could not fulfil its promise if it delivers each item or performs each service separately.

Additionally, and in relation to the two methods of sale, Prosegur recognises the incremental costs of obtaining a contract with a client as an asset, to the extent that it expects to recover those costs. Generally the incremental costs of obtaining contracts with a client arise from sales commissions for sales staff and labour for installation work. The amount of these costs is recognised and depreciated applying the criteria for the accounting policy of property, plant and equipment in accordance with the useful life of the systems installed.

AVOS services

The Group incomes includes business process outsourcing services to improve operational management through redesign, automation and digital transformation in financial and insurance companies.

Revenue from services is recognised during the period in which they are rendered. In fixed price contracts, revenue is recognised to the extent that current services are rendered at the end of the period as a proportion of the total services rendered.

If the contract includes an hourly rate, the revenue is recognised for the amount that Prosegur is entitled to collect. Billing is performed monthly and the collection right is unconditional once the bill is raised.

Cybersecurity services

Part of the Prosegur Group's income comes from cybersecurity services, which include managed detection and response services, managed security services, cyberintelligence services, readteam services, management, risk and compliance, and integration of cybersecurity technology. These projects are considered as a single performance obligation implemented over time. This is because

the projects are designed specifically for the clients and involve projects with a high degree of integration.

Revenue from services is recognised during the period in which they are rendered. In fixed price contracts, revenue is recognised to the extent that current services are rendered at the end of the period as a proportion of the total services rendered.

If the contract includes an hourly rate, the revenue is recognised for the amount that Prosegur is entitled to collect. Billing is performed monthly and the collection right is unconditional once the bill is raised.

Interest received

Interest received is recognised over the period of the outstanding principal and considering the effective interest rate applicable. When a receivable is impaired, Prosegur writes down the carrying amount to the recoverable amount, discounting estimated future cash flows at the original effective interest rate of the instrument. The discounting continues to be recognised as a reduction in the interest received. Interest on impaired loans is recognised using the effective interest method.

Dividend received

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

35.22. Borrowing costs

Prosegur recognises borrowing costs directly attributable to the acquisition, construction or production of qualifying assets as an increase in the value of these assets. Qualifying assets are those which require a substantial period of time before they can be used or sold.

Prosegur recognises the gross amount payable to clients in relation to work on all current contracts when the progress billings exceed the costs incurred plus recognised profit (or less recognised losses).

35.23. Non-current assets held for sale

Non-current assets (or disposable groups) are classified as held for sale when the carrying amount is mainly recoverable through a sale, provided that the sale is considered highly probable. These assets are recognised at the lower of the carrying amount and the fair value less costs to sell, provided that their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

35.24. Distribution of dividends

Dividends distributed to Prosegur's shareholders are recognised as a liability in the Group Consolidated Annual Accounts in the year in which the dividends are approved by the Shareholders General Meeting. Interim dividends will also show as a liability in the Consolidated Annual Accounts of the Prosegur Group in the year in which the interim payment is approved by the Board of Directors.

35.25. Environmental issues

The cost of armoured vehicles compliant with the Euro VI standard on non-polluting emissions is recognised as an increase in the carrying amount of the asset. At the end of 2021, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

35.26. Consolidated statement of cash flows

In the consolidated statement of cash flows, prepared using the indirect method, the following expressions are used with the following meanings:

- Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to a low risk of material changes in value.
- Operating activities: the ordinary activities of companies belonging to the consolidated group and other activities that are not classified as investing or financing activities.
- Investing activities: the acquisition and disposal of non-current assets and other investments not included in cash and cash equivalents.
- Financing activities: activities that lead to changes in equity and in financing liabilities. In particular this section includes bank overdrafts.

35.27 Operating Leases

When a Prosegur Group entity is the lessee

Leases of property, plant and equipment in which Prosegur Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the commencement of the lease term at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is broken down into reductions in the payable and the finance costs, so as to produce a constant rate of interest on the remaining balance of the liability. The lease payable, net of the corresponding finance cost, is recognised under financial liabilities. The interest within the finance cost is taken to the income statement over the lease term so as to produce a constant periodic interest rate on the remaining balance of the liability in each period. Property, plant and equipment acquired under finance lease contracts are depreciated over the shorter of the useful life of the asset and the lease term when there is no possibility of Prosegur assuming ownership; otherwise, they are depreciated over the estimated useful life of the asset.

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

When a Prosegur Group entity is the lessor

Assets leased to third parties under operating lease contracts are recognised as property, plant and equipment in the statement of financial position. These assets are depreciated over their expected useful lives based on criteria consistent with those applied to similar assets owned by the Prosegur Group. Lease income is recognised on a straight-line basis over the expected useful life of the asset.

35.28. Hyperinflation

Retroactively from 1 January 2018, Prosegur applied IAS 29 for the first time and, as a result, IAS 21.42, due to the Argentine economy's being considered as hyperinflationary on 1 July 2018.

The status of hyperinflation is indicated by the characteristics of Argentina's economic environment, which include cumulative inflation over the last three years in excess of 100%. As a result, the financial statements of the Argentine companies of the Prosegur Group have used hyperinflationary accounting for the year 2018 and have not restated the previous financial information.

Hyperinflation accounting was applied to all assets and liabilities of the subsidiary company prior to translation. The historical cost of the non-monetary assets and liabilities and the various equity items of this company was adjusted as of its date of acquisition or inclusion in the consolidated statement of financial position through the end of 2018 to reflect changes in the purchasing power deriving from inflation. The initial equity shown in the stable currency was affected by the cumulative effect of restatement for inflation of non-monetary items from the date of their first-time recognition and the effect of converting those balances at the closing rate at the beginning of 2018. The Prosegur Group chose to recognise the difference between equity at the end of 2017 and equity at the beginning of 2018 in reserves, along with the cumulative translation differences up to that date, 1 January 2018. The Prosegur Group adjusted the 2021 and 2020 income statements to reflect the financial gain corresponding to the impact of inflation on net monetary assets. The various items on the income statement and the cash flow statement for 2021 and 2020 were adjusted by the inflation rate since they were generated, with a balancing entry in net financial results and net exchange difference, respectively.

The various items on the income statement and the cash flow statement for 2018 were adjusted by the inflation rate since they were generated, with a balancing entry in net financial results and net exchange difference, respectively. The inflation rates used to compile the information were the domestic wholesale price index (IPIM) through 31 December 2016, and the consumer price index (CPI) from 1 January 2017. IPIM affords greater weighting to manufacturing and primary products that are less representative with respect to the totality of activities conducted, while the CPI considers goods and services that are representative of household consumption expenditure.

As a consequence of the IFRIC decision agenda taken in 2020, the Prosegur Group changed the presentation it had previously made of the translation differences of the business in Argentina, which had been considered reserves. In its decision agenda, the IFRIC clarified that the effects of inflation corrected by IAS 29 in the country's equity affected by hyperinflation (excluding the part of the net monetary position that directly affects profit/(loss)) have a currency effect similar to which occurs when converting the country's financial statements into presentation currency, so both items must be reflected within translation differences.

VII. APPENDIX I. – Subsidiaries within the consolidation scope

Information at 31 December 2021

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	9	A
Prosegur Global Alarmas, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
Compañía Ridur 2016, S.A.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	10	B
Formación, Selección y Consultoría, S.A.	Santa Sabina, 8 (Madrid)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	B
Prosegur Gestión de Activos Internacional, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	B
Prosegur International SIS, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global SIS, S.L.U.	a	7	B
Prosegur USAP International, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	B
Prosegur International Alarmas, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global Alarmas, S.L.U.	a	7	B
Prosegur Cash Internacional S.A.U. (Ex-MIV Gestión S.A.U.)	Avda. Gran Vía, 175-177, Pol. Gran Vía Sur, 08908 L'Hospitalet de Llobregat (Barcelona)	100.00 %	Prosegur Servicios de Efectivo España, S.L.U.	a	2	B
Prosegur Ciberseguridad, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	4	A
Prosegur Assets Management, S.A.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
Prosegur Global SIS, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
Prosegur Servicios de Efectivo España, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Prosegur Global CIT, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	7	A
Prosegur Cash, S.A.	Santa Sabina, 8 (Madrid)	57.30 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
		21.68 %	Prosegur Assets Management, S.L.	a	7	A
Prosegur Smart Cash Solutions, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	7	B
Prosegur AVOS España, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
Armor Acquisition, S.A.	Pajaritos, 24 (Madrid)	95.00 %	Prosegur Internationale Handels GmbH	a	7	A
		5.00 %	Prosegur Global CIT, S.L.U.	a	7	A
Juncadella Prosegur Internacional, S.A.	Pajaritos, 24 (Madrid)	68.79 %	Armor Acquisition, S.A.	a	7	A
		31.21 %	Prosegur International Handels GmbH	a	7	A
Prosegur International CIT 1, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	7	B
Inversiones CIT 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	2	B
Prosegur Global Alarmas ROW S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
Prosegur Global CIT ROW, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	7	A
Prosegur Global SIS ROW, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
ESC Servicios Generales, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Contesta Teleservicios, S.A.	Antonio Lopez, 247 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	5	A
Integrum 2008, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	5	B
Bloggers Broker, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	5	B
Contesta Servicios Auxiliares, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	5	B
Prosegur Colombia 1, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	7	B
Prosegur Colombia 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	7	B
Prosegur Global Cyber Security, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	B
Segtech Ventures SCR, S.A.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Assets Management, S.L.	a	7	A
Prosegur Servicios de Pago EP, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Risk Management Solutions, S.L.U.	Ochandiano, 8 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	5	A
Alpha3 Cashlabs, S.L.	Pajaritos, 24 (Madrid)	92.96 %	Prosegur Cash, S.A.	a	2	B
Gelt Tech Cashlabs, S.L.U. (Ex-Wohcash APP, S.L.)	Pajaritos, 24 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Prosegur Finance, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	8	B

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Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur ODH, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	3	B
CASH Centroamerica Uno, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	2	B
CASH Centroamerica Tres, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	2	B
Gelt Cash Transfer, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Netjam Technologies S.L.	Princesa, 47 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	5	B
QSNNet Comunicaciones y Servicios, S.L.	Ateca, 4 (Zaragoza)	50.00 %	Netjam Technologies S.L.	a	5	B
Prosegur Global BSI International, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Tapia Seguridad, S.L.	Parque Tecnológico de Asturias, Parcela 32, Cayés Llanera (Asturias)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	B
Prosegur Custodia de Activos Digitales, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Prosegur BSI España, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global BSI International, S.L.	a	1	B
MIRubi Internet, S.L.	Avda. Manoteras, 38 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Prosegur International Handels GmbH	Poststraße 33 (Hamburg)	100.00 %	Malcoff Holding BV	a	7	B
Prosegur Cash Services Germany GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Prosegur Services Germany GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur USAP International, S.L.U.	a	9	C
Prosegur SIS Germany GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	C
Prosegur Spike GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur Cash, S.A.	a	2	C
Prosegur Gestion d'Actifs France S.C.I.	2 Bis Rue Tête d'Or (Lyon)	95.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	B
		5.00 %	Prosegur Gestion de Activos International, S.L.U.			
Malcoff Holdings BV	Herikerbergweg 238 (Amsterdam)	100.00 %	Prosegur Global CIT, S.L.U.	a	7	B
Prosegur Uruguay BV	Herikerbergweg 238 (Amsterdam)	100.00 %	Prosegur, S.A.	a	7	B
Luxpai Holdo, SARL	23, Av. Monterey (Luxembourg)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	7	B
Pitco Reinsurance, S.A.	23, Av. Monterey (Luxembourg)	100.00 %	Luxpai CIT SARL	a	2	A
Luxpai CIT SARL	23, Av. Monterey (Luxembourg)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Yellow RE, S.A.	23, Av. Monterey (Luxembourg)	100.00 %	Luxpai Holdo, SARL	a	7	A
Prosegur Gestão de Activos Imobiliarios S.A.	Avenida de Berna, nº 54 (Lisbon)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	A
Prosegur Companhia de Segurança LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur Distribuição e Serviços, LDA	Avenida de Berna, nº 54 (Lisbon)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur Agência Promoção e Comercialização de Produtos e Serviços, Unipessoal LDA	Avenida de Berna, nº 54 (Lisbon)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	3	A
Dognaedis LDA	Rua Pedro Nunes, Edificio Incubadora Do Instituto Pedro Nunes (Coimbra)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	4	B
Prosegur Logística e Tratamento de Valores Portugal, Unipessoal LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Prosegur Alarmes Dissuasão Portugal Unipessoal Lda.	Avenida de Berna, nº 54 (Lisbon)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	3	A
Prosegur ESSPP Empresa de Serviços Partilhados Unipessoal LDA	Avenida de Berna, nº 54 (Lisbon)	100.00 %	Prosegur USAP International, S.L.U.	a	9	B
		94.79 %	Juncadella Prosegur Internacional, S.A.			
Transportadora de Caudales de Juncadella, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	4.98 %	Armor Acquisition, S.A.	a	2	A
		0.23 %	Prosegur Holding CIT ARG, S.A.			
Prosegur Seguridad, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			

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Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Argentina Holding, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	56.21 %	Prosegur Global SIS, S.L.U.	a	7	A
		43.79 %	Prosegur International SIS, S.L.U.			
Prosegur Inversiones Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	56.56 %	Prosegur Global SIS, S.L.U.	a	7	A
		43.44 %	Prosegur International SIS, S.L.U.			
Prosegur Holding CIT ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Global CIT, S.L.U.	a	7	A
		5.00 %	Prosegur International CIT 1, S.L.			
Prosegur Sistemas Integrales de Seguridad, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Prosegur Seguridad y Vigilancia, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Prosegur Gestión de Activos ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	80.00 %	Prosegur Gestión de Activos, S.L.U.	a	3	A
		20.00 %	Prosegur Gestión de Activos International, S.L.U.			
Grupo N, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 %	Prosegur Global CIT, S.L.U.	a	2	A
		10.00 %	Prosegur Internacional CIT 1, S.L.			
VN Global BPO, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 %	Prosegur Global CIT, S.L.U.	a	2	A
		10.00 %	Prosegur Internacional CIT 1, S.L.			
Dinero Gelt, S.A.	Calle Grecia (Ciudad de Buenos Aires)	95.00 %	Transportadora de Caudales de Juncadella, S.A.	a	2	B
		5.00 %	Prosegur Holding CIT ARG, S.A.			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Xiden, S.A.C.I.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	10.00 %	Prosegur International SIS, S.L.U.	a	1	A
		90.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	90.00 %	Prosegur Global SIS, S.L.U.	a	1	A
		10.00 %	Prosegur International SIS, S.L.U.			
General Industries Argentina, S.A.	Herrera, 1175 (Ciudad de Buenos Aires)	90.00 %	Prosegur Global SIS, S.L.U.	a	1	A
		10.00 %	Prosegur International SIS, S.L.U.			
Prosegur Holding, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	80.00 %	Prosegur Global Alarmas, S.L.U.	a	7	A
		11.40 %	Prosegur International Alarmas, S.L.U.			
Prosegur Inversiones, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	8.60 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
		80.00 %	Prosegur Global Alarmas, S.L.U.			
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	11.41 %	Prosegur International Alarmas, S.L.U.	a	3	A
		8.59 %	Prosegur Compañía de Seguridad, S.A.			
Prosegur, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	90.00 %	Prosegur Holding, S.A.	a	1	A
		10.00 %	Prosegur Inversiones, S.A.			
Servin Seguridad, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			

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Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Holding SIS Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	90.00 %	Prosegur Global SIS, S.L.U.	a	7	A
		10.00 %	Prosegur International SIS, S.L.U.			
		100.00 %	Prosegur Holding SIS Ltda.			
Segurpro Vigilancia Patrimonial S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	0.00 %	Segurpro Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	a	1	A
		39.76 %	Juncadella Prosegur Internacional, S.A.			
Prosegur Serviços e Participações Societárias, S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	60.24 %	Prosegur Global CIT, S.L.U.	a	7	A
Prosegur Logística e Armazenamento Ltda.	Av. Marginal do Ribeirão dos Cristais, 200 (São Paulo)	100.00 %	Prosegur Serviços e Participações Societárias,	a	2	B
		100.00 %	Prosegur Serviços e Participações Societárias,			
Log Cred Tecnologia Comercio e Serviços Ltda.	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	0.00 %	Prosegur Brasil S.A. Transportadora de Valores e Segurança	a	2	B
		100.00 %	Prosegur Serviços e Participações Societárias, S.A.			
Luma Empreendimentos Eireli- ME	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	0.00 %	Prosegur Brasil S.A. Transportadora de Valores e Segurança	a	2	B
		100.00 %	Prosegur Companhia de Seguridad, S.A.			
Cipher S.A.	Praça Quinze de Novembro 00020 (Rio de Janeiro)	100.00 %	Prosegur Serviços e Participações Societárias,	a	4	B
Prosegur Pay Consultoria em Tecnologia da Informação Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	100.00 %	Prosegur Serviços e Participações Societárias,	a	2	B
Prosegur Brasil S.A. Transportadora de Valores e Segurança	Av. Guaratá, 633 (Belo Horizonte)	99.99 %	Prosegur Serviços e Participações Societárias,	a	2	A
Gelt Brasil Consultoria em Tecnologia da Informação Ltda.	Rua Professor Atilio Innocenti 165/02-131 (São Paulo)	100.00 %	Prosegur Alpha3 Cashlabs, S.L.	a	2	B
Segurpro Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	82.26 %	Prosegur Global SIS, S.L.U.	a	1	B
		17.74 %	Prosegur International SIS, S.L.U.			
Prosegur Activa Alarmes S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	41.99 %	Prosegur Global Alarmas, S.L.U.	a	3	B
		58.01 %	Prosegur International Alarmas, S.L.U.			
Prosegur Gestão de Ativos Ltda.	Rodovia BR 116, nº 13876, KM 102 (Curitiba)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	B
		0.00 %	Prosegur Companhia de Seguridad, S.A.			
Soluciones en Negocios SpA	Nueva York 33 (Santiago de Chile)	100.00 %	Prosegur Companhia de Seguridad, S.A.	a	5	C
Solu4B Software Company SpA	Nueva York 33 (Santiago de Chile)	100.00 %	Prosegur Companhia de Seguridad, S.A.	a	5	C
Soluciones en Tecnología de la Información SpA	Nueva York 33 (Santiago de Chile)	80.00 %	Soluciones en Negocios SpA	a	5	C
		20.00 %	Prosegur Companhia de Seguridad, S.A.			
Soluciones en Servicios de Apoyo Computacional, S.A.	Nueva York 33 (Santiago de Chile)	99.98 %	Soluciones en Negocios SpA	a	5	C
		0.02 %	Soluciones en Inversiones II SpA			
Empresa de Servicios Transitorios Soluciones en Administración de Personal, S.A.	Nueva York 33 (Santiago de Chile)	99.98 %	Soluciones en Negocios SpA	a	5	C
		0.02 %	Soluciones en Inversiones II SpA			
Juncadella Prosegur Group Andina S.A.	Los Gobelinos 2567 (Santiago de Chile)	99.99 %	Juncadella Prosegur Internacional, S.A.	a	7	A
		0.01 %	Armor Acquisition, S.A.			
Asesorías y Servicios Tecnológicos SpA	Nueva York 33 (Santiago de Chile)	100.00 %	Soluciones en Negocios SpA	a	5	C
Soluciones en Inversiones II SpA	Nueva York 33 (Santiago de Chile)	100.00 %	Soluciones en Negocios SpA	a	5	C
Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 (Santiago de Chile)	86.17 %	Prosegur Global CIT, S.L.U.	a	2	A
		10.00 %	Prosegur International CIT 1, S.L.			
		1.55 %	Prosegur International Handels GmbH			
		2.28 %	Juncadella Prosegur Group Andina S.A.			
Servicios Prosegur Ltda.	Los Gobelinos 2567 (Santiago de Chile)	99.98 %	Prosegur Global CIT, S.L.U.	a	2	A
		0.01 %	Prosegur International Handels GmbH			
Servicios de Seguridad Prosegur Regiones Limitada	Los Gobelinos 2567 (Santiago de Chile)	0.01 %	Juncadella Prosegur Group Andina S.A.	a	1	A
		99.00 %	Prosegur Chile, S.A.			
Empresa de Transportes Compañía de Seguridad Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	1.00 %	Prosegur Global SIS, S.L.U.	a	2	A
		60.00 %	Juncadella Prosegur Group Andina S.A.			
		40.00 %	Prosegur International Handels GmbH			

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		% of Par Value	Company Owning Shareholdings			
Prosegur Tecnologia Chile Ltda.	Avenida del Condor 720 301 (Santiago de Chile)	99.99 %	Prosegur Global SIS, S.L.U.	a	1	A
		0.01 %	Prosegur Compañía de Seguridad, S.A.			
		0.00 %	Prosegur Chile, S.A.			
Prosegur Activa Chile, S.L.	Avenida del Condor 720 301 (Santiago de Chile)	90.00 %	Prosegur Global Alarmas, S.L.U.	a	3	A
		10.00 %	Prosegur International Alarmas, S.L.U.			
		90.00 %	Prosegur Gestión de Activos, S.L.U.			
Prosegur Gestion de Activos Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	10.00 %	Prosegur Gestión de Activos Internacional, S.L.U.	a	9	A
		70.00 %	Prosegur, S.A.			
		30.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Ciberseguridad, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	4	B
Procesos Técnicos de Seguridad y Valores, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Inversiones CIT 2, S.L.U.	a	2	A
		50.00 %	Prosegur Colombia 1, S.L.U.			
		49.00 %	Prosegur Colombia 2, S.L.U.			
Compañía Colombiana de Seguridad Transbank Ltda.	CL 19 68 B 76 (Bogotá)	1.00 %	Prosegur Smart Cash Solutions, S.L.	a	2	A
		100.00 %	Prosegur Cash, S.A.			
		100.00 %	Alpha3 Cashlabs, S.L.			
Corresponsales Colombia SAS	Calle 11 No. 31-89 Edificio Bosko Oficina 501 de Medellín (Bogotá)	100.00 %	Prosegur Cash, S.A.	a	2	A
		100.00 %	Alpha3 Cashlabs, S.L.			
		94.90 %	Prosegur Global CIT, S.L.U.			
Dinero Gelt, S.A.S.	Calle 81 N° 11-55 P 9 (Bogotá)	5.10 %	Prosegur International CIT 1, S.L.	a	2	A
		0.00 %	Prosegur Cash, S.A.			
		0.00 %	Prosegur Servicios de Efectivo España, S.L.U.			
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	CL 19 68 B 76 (Bogotá)	0.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
		100.00 %	Inversiones CIT 2, S.L.U.			
		100.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Procesos, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	7	A
Inversiones BIV, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	6	A
Prosegur Vigilancia y Seguridad Privada Ltda.	Cr 16 33 29 (Bogotá)	94.00 %	Inversiones BIV, S.A.S.	a	1	A
Prosegur Tecnología, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	1	A
Servimax Servicios Generales, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Inversiones BIV, S.A.S.	a	1	A
Prosegur Sistemas Electrónicos, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	1	A
Prosegur Seguridad Electrónica, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur International Alarmas, S.L.U.	a	3	A
Servimax Servicios Temporales, S.A.S.	CL 72 7 82 P 9 Edificio Acciones y Valores (Bogotá)	100.00 %	Inversiones BIV, S.A.S.	a	1	B
Prosegur Gestión de Activos de Colombia, S.A.S.	CL 19 68 B 76 (Bogotá)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	A
		95.00 %	Prosegur Gestión de Activos, S.L.U.			
		5.00 %	Prosegur Gestión de Activos Internacional, S.L.U.			
Prosegur Gestión de Activos Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	90.00 %	Prosegur Global Cyber Security, S.L.U.	a	4	B
Prosegur Ciberseguridad Paraguay, S.L. (Ex-Prosegur Ciberseguridad Paraguay, S.A.)	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	10.00 %	Prosegur Ciberseguridad, S.L.	a	2	A
		99.00 %	Juncadella Prosegur Internacional, S.A.			
		1.00 %	Transportadora de Caudales de Juncadella, S.A.			
Soluciones Integrales de Seguridad Prosegur Paraguay, S.A.	Avda. Artigas N° 960 (Asunción)	95.00 %	Prosegur Global SIS, S.L.U.	a	1	A
		5.00 %	Prosegur International SIS, S.L.U.			
		90.00 %	Prosegur Global Alarmas, S.L.U.			
Alarmas Prosegur Paraguay, S.A.	Avda. Artigas N° 960 (Asunción)	10.00 %	Prosegur International Alarmas, S.L.U.	a	3	A
		95.00 %	Proseguridad, S.A.			
		5.00 %	Prosegur International SIS, S.L.U.			
Proservicios, S.A.	Av. Los Proceres 250 (Lima)	95.00 %	Proseguridad, S.A.	a	1	B

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Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Consumer Finance Perú S.A.C.	Av. República de Panamá 3890 (Lima)	90.00 %	Prosegur Compañía de Seguridad, S.A.	a	8	B
		10.00 %	Prosegur Assets Management, S.A.			
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 (Lima)	90.00 %	Prosegur Cash, S.A.	a	2	B
		10.00 %	Prosegur Global CIT, S.L.U.			
Compañía de Seguridad Prosegur, S.A.	Av. Morro Solar 1086 (Lima)	52.00 %	Juncadella Prosegur Internacional, S.A.	a	2	A
		48.00 %	Transportadora de Caudales de Juncadella, S.A.			
Proseguridad, S.A.	Av. Los Proceres 250 (Lima)	64.89 %	Prosegur Global SIS, S.L.U.	a	1	A
		35.11 %	Prosegur International SIS, S.L.U.			
Prosegur Cajeros, S.A.	La Chira, 103 (Lima)	52.00 %	Juncadella Prosegur Internacional, S.A.	a	2	B
		48.00 %	Transportadora de Caudales de Juncadella, S.A.			
Prosegur Tecnología Perú, S.A.	La Chira, 103 (Lima)	99.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
		1.00 %	Prosegur International SIS, S.L.U.			
Reguard Security Corp., S.A. (Ex-Proseguridad Peru, S.A.)	Av. Los Proceres 250 (Lima)	84.86 %	Proseguridad, S.A.	a	1	B
		10.14 %	Inversiones RB, S.A.			
Proseguridad Selva, S.A.	Cas. Palmawasi San Martin (Tocache)	5.00 %	Prosegur International SIS, S.L.U.	a	1	B
		90.00 %	Reguard Security Corp., S.A.			
Inversiones RB, S.A.	Avenida Nicolás Arriola, 780 (Lima)	10.00 %	Prosegur International SIS, S.L.U.	a	7	B
		95.00 %	Proseguridad, S.A.			
Prosegur Activa Peru, S.A.	Av. República De Panamá 3890 (Lima)	5.00 %	Prosegur International SIS, S.L.U.	a	3	A
		50.29 %	Prosegur Global Alarmas, S.L.U.			
Prosegur Gestión de Activos, S.A.	La Chira, 103 - Surco - Lima	49.67 %	Prosegur International Alarmas, S.L.U.	a	9	A
		0.04 %	Prosegur Compañía de Seguridad, S.A.			
Prosegur Mexico S de RL de C.V.	Avenida Nuevo León No. 265 (México DF)	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
		10.00 %	Prosegur Global Alarmas, S.L.U.			
Prosegur Compañía de Seguridad Privada S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	85.60 %	Prosegur Global SIS, S.L.U.	a	1	A
		14.40 %	Prosegur International SIS, S.L.U.			
Prosegur Seguridad Privada S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de C.V.	a	1	B
		0.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Consultoría y Servicios Administrativos S de RL de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de C.V.	a	9	A
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de C.V.			
Prosegur Custodias, S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	1	A
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de C.V.			
Prosegur Tecnología S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de C.V.	a	1	A
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de C.V.			
Prosegur Servicios Integrales en Seguridad Privada S.A. de CV	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de C.V.	a	9	B
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de C.V.			

Information at 31 December 2021

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Dinero Gelt México SA de CV	Avenida Jesús del Monte, 41 (Huixquilucan)	90.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Marlina S.A.	Guarani 1531 (Montevideo)	10.00 %	Gelt Cash Transfer, S.L.U.	a	9	A
Prosegur Ciberseguridad Uruguay, S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	A
Nummi, S.A.	Avda. Gral. Fructuoso Rivera 2452 (Montevideo)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	9	A
Findarin, S.A.	Avda. Gral. Fructuoso Rivera 2452 (Montevideo)	100.00 %	Prosegur Cash, S.A.	a	2	A
Costumbres del Sur, S.A.	Colonia 981 Apto: 305 (Montevideo)	100.00 %	Prosegur Cash, S.A.	a	2	A
Prosegur Transportadora de Caudales, S.A.	Guarani 1531 (Montevideo)	99.92 %	Prosegur Global CIT, S.L.U.	a	2	B
Prosegur Activa Uruguay, S.A.	Guarani 1531 (Montevideo)	0.08 %	Juncadella Prosegur Internacional, S.A.	a	2	A
Nautiland, S.A.	Michelini, Zelmar 1121 (Maldonado)	100.00 %	Armor Acquisition, S.A.	a	3	A
Blindados, S.R.L.	Guarani 1531 (Montevideo)	99.00 %	Prosegur Global Alarmas, S.L.U.	a	3	A
Genper, S.A.	Guarani 1531 (Montevideo)	1.00 %	Prosegur Activa Uruguay, S.A.	a	3	B
GSM Telecom, S.A.	Del pino, Simon 1055, (Maldonado)	100.00 %	Prosegur Transportadora de Caudales, S.A.	a	2	B
Tecnofren, S.A.	Michelini, Zelmar 1121 (Maldonado)	100.00 %	Prosegur Global CIT, S.L.U.	a	1	A
Prosegur Uruguay Compañía de Seguridad, S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Global SIS, S.L.U.	a	1	A
Pitco Asia Pacific Ltd.	Prudential Tower, The Gateway, Harbour City, 21 (Hong Kong)	90.00 %	Prosegur Uruguay BV S.A.	a	1	A
Imperial Dragon Security Ltd.	Suite 1201 Tower 2, The Gateway, 25 (Hong Kong)	10.00 %	Prosegur Global SIS, S.L.U.	a	1	B
Pitco Shanghai Trading Co Ltd.	Room 902, 9F, No1069, Jiaozhou Road, Putuo District (Shanghai)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	B
Shanghai Meiyu Information Technology Co Ltd.	Room 519, Zhidan Road No. 180-190, (Shanghai)	100.00 %	Luxpai Holdo, SARL	a	7	B
Shanghai Pitco Information Technology Co Ltd.	Room 517, Zhidan Road No. 180-190 (Shanghai)	100.00 %	Luxpai Holdo, SARL	a	7	B
Shanghai Bigu Investment Co Ltd.	Room 1373, Building 4, (Shanghai)	100.00 %	Shanghai Pitco Information Techology Co	a	7	B
Shanghai Pitco Consulting Management Co Ltd.	Room 1601, Building 4, (Shanghai)	100.00 %	Pitco Shanghai Trading Co Ltd.	a	7	B
Shangxi Laide Security Service Co Ltd.	Building 18, Hengshan housing estate, (Taiyuan)	100.00 %	Shanghai Pitco Consulting Management Co Ltd.	a	7	B
Shanghai Prosegur Security Service Co Ltd.	Room 446, Building 3, (Shanghai)	70.00 %	Pitco Shanghai Trading Co Ltd.	a	7	B
Nanjing Zhong Dun Security Services Co Ltd.	Room 212, No 359, Building A (Nanjing City)	100.00 %	Shanghai Bigu Investment Co Ltd.	a	1	B
Command Security China Limited	Room 446, Building 3, (Shanghai)	80.00 %	Shanghai Meiyu Information Technology Co Ltd.	a	1	B
Shanghai Bigu Security Technology Co Ltd	26/F, The Hennessy, 256 Hennessy Road, Wan Chai, (Hong Kong)	100.00 %	Prosegur Services Group Incorporated	a	1	B
Prosec Services Pte Ltd.	1st floor, Building 13, Zhengbo Road No. 1881, Fengxian District, Shanghai	100.00 %	Shanghai Bigu Security Technology Co Ltd.	a	1	B
Singpai Pte Ltd.	11 Lorong 3 Toa Payoh Jackson Square – Block B #03-26 (Singapore)	100.00 %	Prosec Services Pte Ltd.	a	1	A
Prosec Cash Services Pte Ltd.	80 Robinson Road #02-00 (Singapore)	100.00 %	Singpai Pte Ltd.	a	7	A
Prosegur Singapore Pte Ltd.	11 Lorong 3 Toa Payoh Jackson Square – Block B #03-26 (Singapore)	100.00 %	Prosec Cash Services Pte Ltd.	a	2	B
Singpai Alarms Private Ltd.	80 Robinson Road #02-00 (Singapore)	100.00 %	Prosegur Singapore Pte Ltd.	a	1	A
Focal Investigation & Security Agency Pte Ltd.	5001 Beach, Road, #04-22, Golden Mile Complex (Singapore)	100.00 %	Singpai Alarms Private Ltd.	a	7	A
Prosegur SIS USA Incorporated	251 Little Falls Drive Street, Wilmington - New Castle 19808 (Delaware)	100.00 %	Prosegur Global Alarmas ROW S.L.U.	a	1	A
Prosegur Security Monitoring Incorporated	220 Howard Street - Lowell (Massachusetts - USA)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	B
Cipher Security LLC	1111 Brickell Avenue (Miami)	100.00 %	Prosegur Security USA Incorporated	a	1	B
Prosegur Security Integration LLC	755 NW 17th Ave #101 (USA)	84.50 %	Cipher Security Limited	a	4	B
Prosegur Services Group Incorporated	512, Herndon Parkway Suite A, Herndon Virginia 20170, USA	15.50 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
		100.00 %	Prosegur Security USA Incorporated	a	1	B
		100.00 %	Prosegur Security USA Incorporated	a	1	B

Information at 31 December 2021

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Technology International Incorporated	251 Little Falls Drive Street, Wilmington - New Castle 19808 - Delaware - USA	100.00 %	Prosegur Security USA Incorporated	a	1	B
Prosegur EAS USA LLC	512 Herndon Parkway, Suite A - Herndon, VA 20170 - USA	77.08 %	Prosegur SIS USA Incorporated	a	1	B
Prosegur Security USA Incorporated	251 Little Falls Drive, Wilmington, 19808 New Castle (Delaware)	96.50 %	Prosegur SIS USA Incorporated	a	1	B
Prosegur Global Risk Services LLC	251 Little Falls Drive, Wilmington, 19808 New Castle (Delaware)	81.00 %	Prosegur Security USA Incorporated	a	1	B
Prosegur Australia Holdings PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	7	A
Prosegur Australia Investments PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Holdings PTY Limited	a	7	B
Prosegur Australia Pty Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Investments PTY Limited	a	2	B
Prosegur Services Pty Ltd	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Holdings PTY Limited	a	2	B
Prosegur Assets Management Pty Ltd	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	A
Cash Services Australia Pty Limited	Level 5, 205 Pacific Highway, St Leonards NSW 2065	100.00 %	Prosegur Australia Holdings PTY Limited	a	2	B
Precinct Hub Pty Limited (Ex-Prosegur SPV 1 PTY Limited)	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Holdings PTY Limited	a	2	B
Prosegur Exchange Pty Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Cash, S.A.	a	2	B
Beagle Watch Armed Response Proprietary Limited	1st Floor Unison House, 190 Smit Street (Fairland) 2030 (Johannesburg)	100.00 %	Prosegur Global Alarmas ROW S.L.U.	a	7	B
Beagle Technical (Pty) Ltd.	Unison House, 190 Smit Street, Fairland - Gauteng 2195	100.00 %	Beagle Watch Armed Response Proprietary Limited	a	3	B
Beagle Control (Pty) Ltd.	Unison House, 190 Smit Street, Fairland - Gauteng 2195	100.00 %	Beagle Watch Armed Response Proprietary Limited	a	3	B
Prime Hiring India Private Ltd	Regus Elegance, 2F, Elegance Jasola District Centre, Old Mathura Road (New Delhi)	99.99 %	Luxpai Holdo, SARL	a	1	B
		0.01 %	Pitco Asia Pacific Ltd.			
Prosegur CIT Integral System India Private Ltd.	Regus Elegance, 2F, Elegance Jasola District Centre, Old Mathura Road (New Delhi)	95.00 %	Prosegur Global CIT ROW, S.L.U.		2	B
		5.00 %	Luxpai CIT SARL			
PT Prosegur Cash Indonesia	Gedung Gajah Blok A, B, C Lantai 3A Unit BIV, Jl. Dr. Saharjo N° 111, RT/RW 001/01, (Jakarta)	49.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Dognaedis Limited SASU	Gallows Hill Warwick CV34 6UW, (United Kingdom)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	4	B
Cipher Security Limited	45 Pall Mall, St James's, SW1Y 5JG, (London, UK)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	4	B
Prosegur Security UK Limited	710 Avenue West, Skyline 120, (Great Notley, Braintree Essex)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
CASH Centroamerica Dos	Distrito Panamá (Panama)	16.67 %	Prosegur Global CIT, S.L.U.	a	2	B
Consortio CSC two Panama	Avenida Doce de Octubre 1A (entre 50 y calle 80) - Pueblo Nuevo - Panama	51.00 %	Prosegur Services Group Incorporated	a	1	B
		49.94 %	CASH Centroamerica Uno, S.L.			
Protección de Valores, S.A.	Km 4.5 Carretera a Masaya (Managua)	10.12 %	CASH Centroamerica Tres, S.L.	a	2	A
		39.94 %	CASH Centroamerica Dos			
Proteccion de Valores S.A. de CV	Calle Padres Aguilar No. 9 (San Salvador)	60.00 %	CASH Centroamerica Uno, S.L.	a	2	A
		40.00 %	CASH Centroamerica Dos			
Prosegur Gestion de Activos Honduras S de RL	Ciudad de San Pedro Sula, Departamento de Cortes	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	B
		10.00 %	Prosegur Gestión de Activos Internacional, S.L.U.			
Protección de Valores, S.A.	Colonia San Ignacio, 4ta calle 5ta Avenida (Tegucigalpa)	60.00 %	CASH Centroamerica Uno, S.L.	a	2	A
		40.00 %	CASH Centroamerica Dos			
Gestion de Activos Cash Guatemala S.A.	6A. Calle 6-38 Edificio Tivoli Plaza, 7 Nivel Zona 9 (Guatemala)	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	9	B
		10.00 %	Prosegur Gestión de Activos Internacional, S.L.U.			
Corporacion Allium, S.A.	15 Avenida 'A' 3-67 Oficina No 5 Zona 13 (Guatemala)	90.00 %	Prosegur Global CIT, S.L.U.	a	2	B
		10.00 %	Prosegur International CIT 1, S.L.			
Prosegur Filipinas Holding Corporation	21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City (The Philippines)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	B
Prosegur Global Resources Holding Philippines Incorporated	18th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, NCR (The Philippines)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Armored Transport Plus Incorporated	Unit 401 J & L Bldg. 251 EDSA, Ack-Ack, Mandaluyong City (The Philippines)	36.00 %	Prosegur Global Resources Holding Philippines Incorporated	a	2	B
E-CTK Solutions Incorporated	Suite 21G Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave., Makati City (The Philippines)	36.00 %	Prosegur Global Resources Holding Philippines Incorporated	a	2	A
Fortress Armored Transport Incorporated	IWMPC Bldg., Ilang-Ilang St. Alido Subd. Brgy. Bulihan Malolos Bulacan (The Philippines)	36.00 %	Prosegur Global Resources Holding Philippines Incorporated	a	2	A

Information at 31 December 2021

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	San Jose Montes de Oca San Pedro, 125 Metros al Oeste de la Cámara de Industrias, Edificio PWC (San José)	70.00 %	Prosegur Global CIT, S.L.U.	a	2	B
		30.00 %	Prosegur International CIT 1, S.L.			
Prosegur BSI Canada Limited	700 - 401 WEST GEORGIA STREET, VANCOUVER BC V6B 5A1-CANADA	77.08 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Avenida La Prensa junto a la FAE N. 3558 (Quito)	90.00 %	Prosegur Cash, S.A.	a	2	A
		10.00 %	Prosegur Global CIT, S.L.U.			
Tevlogistic, S.A.	Avenida La Prensa junto a la FAE N. 3558 (Quito)	99.99 %	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	a	2	B
		0.01 %	Prosegur Global CIT, S.L.U.			
Transportadora Ecuatoriana de Productos Valorados Setaproval, S.A.	Avenida La Prensa junto a la FAE N. 3558 (Quito)	99.99 %	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	a	2	B
		0.01 %	Prosegur Global CIT, S.L.U.			

Basis of consolidation

- a. The company controls the investee, which is fully consolidated.
- b. Existence of significant influence, equity accounted.
- c. Temporary Joint Ventures are consolidated using the proportional consolidation method.

Activity

1. Activities from the Security business group.
2. Area of activities of the Cash business group.
3. Activities from the Alarms business group.
4. Area of activities of the Cipher business group.
5. Area of activities of the AVOS business group.
6. Activities included in more than one business group.
7. Holding company.
8. Financial services.
9. Ancillary services.
10. Dormant.

Auditor:

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

Information at 31 December 2020

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur Gestión de Activos, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
Prosegur Global Alarmas, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
Compañía Ridur 2016, S.A.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	8	B
Formación, Selección y Consultoría, S.A.	Santa Sabina, 8 (Madrid)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	B
Prosegur Gestión de Activos Internacional, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	5	B
Prosegur Internacional SIS, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global SIS, S.L.U.	a	5	B
Prosegur USAP Internacional, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	5	B
Prosegur Internacional Alarmas, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global Alarmas, S.L.U.	a	5	B
Prosegur Soluciones, S.A.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	3	A
MIV Gestión, S.A.	Avda. Gran Vía, 175-177, Pol. Gran Vía Sur, 08908 L'Hospitalet de Llobregat (Barcelona)	100.00 %	Prosegur Servicios de Efectivo España, S.L.U.	a	2	B
Prosegur Ciberseguridad, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	1	A
Indiseg Evolium Group	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Ciberseguridad, S.L.	a	1	B
Prosegur Assets Management, S.A.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
Prosegur Global SIS, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
Prosegur Servicios de Efectivo España, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Prosegur Global CIT, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	5	A
Prosegur Cash, S.A.	Santa Sabina, 8 (Madrid)	53.30 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
		21.68 %	Prosegur Assets Management, S.L.			
Prosegur Smart Cash Solutions, S.L. (former Prosegur Colombia 3, S.L.U.)	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	5	B
Prosegur AVOS España, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	2	A
Armor Acquisition, S.A.	Pajaritos, 24 (Madrid)	95.00 %	Prosegur Internationale Handels GmbH	a	5	A
		5.00 %	Prosegur Global CIT, S.L.U.			
		68.79 %	Armor Acquisition, S.A.			
Juncadella Prosegur Internacional, S.A.	Pajaritos, 24 (Madrid)	31.21 %	Prosegur International Handels GmbH	a	5	A
Prosegur Internacional CIT 1, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	5	B
Inversiones CIT 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	5	B
Prosegur Global Alarmas ROW S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
Prosegur Global CIT ROW, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Cash, S.A.	a	5	A
Prosegur Global SIS ROW, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	5	A
ESC Servicios Generales, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Contesta Teleservicios, S.A.	Antonio Lopez, 247 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	2	A
Integrum 2008, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	2	B
Bloggers Broker, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	2	B
Contesta Servicios Auxiliares, S.L.	Antonio Lopez, 247 (Madrid)	100.00 %	Contesta Teleservicios, S.A.	a	2	B
Prosegur Colombia 1, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	5	B
Prosegur Colombia 2, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	5	B
Prosegur Global Cyber Security, S.L.U.	Pajaritos, 24 (Madrid)	70.50 %	Prosegur Compañía de Seguridad, S.A.	a	5	B
Segitech Ventures SCR, S.A.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Assets Management, S.L.	a	5	A
Prosegur Servicios de Pago EP, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Risk Management Solutions, S.L.U.	Ochandiano, 8 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	2	A
Compliofficer, S.L.U.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	2	B

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Work 4 Data Lab, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Risk Management Solutions, S.L.U.	a	2	B
Alpha3 Cashlabs, S.L.	Pajaritos, 24 (Madrid)	92.96 %	Prosegur Cash, S.A.	a	2	B
Wohcash APP, S.L.	La Paz 44 - 4º, 46003 (Valencia)	51.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Prosegur Finance, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	6	B
Prosegur ODH, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	3	B
CASH Centroamerica Uno, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	2	B
CASH Centroamerica Tres, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global CIT, S.L.U.	a	2	B
Gelt Cash Transfer, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Netijam Technologies S.L.	Cedaceros, 11 (Madrid)	100.00 %	Prosegur AVOS España, S.L.	a	2	B
Garantis Sumarmas, S.L.	Cedaceros, 11 (Madrid)	100.00 %	Netijam Technologies S.L.	a	2	B
QSNNet Comunicaciones y Servicios, S.L.	Ateca, 4 (Zaragoza)	50.00 %	Netijam Technologies S.L.	a	2	B
Prosegur Global BSI International, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Tapia Seguridad, S.L.	Parque Tecnológico de Asturias, Parcela 32, Cayés Llanera (Asturias)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	B
Prosegur Custodia de Activos Digitales, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Prosegur BSI España, S.L.	Pajaritos, 24 (Madrid)	100.00 %	Prosegur Global BSI International, S.L.	a	1	B
MiRubi Internet, S.L.	Avda. Manoteras, 38 (Madrid)	100.00 %	Alpha3 Cashlabs, S.L.	a	2	B
Prosegur International Handels GmbH	Poststraße 33 (Hamburg)	100.00 %	Malcoff Holding BV	a	5	B
Prosegur Cash Services Germany GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Prosegur Services Germany GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur USAP International, S.L.U.	a	7	C
Prosegur SIS Germany GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	C
Prosegur Spike GmbH	Kokkolastraße 5 (Ratingen)	100.00 %	Prosegur Cash, S.A.	a	2	C
Prosegur Gestion d'Actifs France S.C.I.	Place Berthe Morisot (Saint-Priest)	95.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	B
		5.00 %	Prosegur Gestion de Activos International, S.L.U.			
Malcoff Holdings BV	Herikerbergweg 238 (Amsterdam)	100.00 %	Prosegur Global CIT, S.L.U.	a	5	B
Prosegur Uruguay BV	Herikerbergweg 238 (Amsterdam)	100.00 %	Prosegur, S.A.	a	5	B
Luxpai Holdo, SARL	23, Av. Monterey (Luxembourg)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	5	B
Pitco Reinsurance, S.A.	23, Av. Monterey (Luxembourg)	100.00 %	Luxpai CIT SARL	a	2	A
Luxpai CIT SARL	23, Av. Monterey (Luxembourg)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Yellow RE, S.A.	23, Av. Monterey (Luxembourg)	100.00 %	Luxpai Holdo, SARL	a	5	A
Prosegur AVOS Portugal Unipessoal LDA	Avenida de Berna, nº 54 (Lisbon)	100.00 %	Prosegur AVOS España, S.L.	a	2	B
Prosegur Gestão de Activos Imobiliarios S.A.	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
Prosegur Companhia de Seguranga LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur Distribuição e Serviços, LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur Agencia Promoção e Comercialização de Productos e Serviços, Unipessoal LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	3	A
Dognædis LDA	Coimbra	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	1	B
Prosegur Logistica e Tratamento de Valores Portugal, Unipessoal LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Prosegur Alarmes Dissuasão Portugal Unipessoal Lda.	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	3	A
Prosegur ESSPP Empresa de Serviços Partilhados Unipessoal LDA	Av. Infante Dom Henrique, 326 (Lisbon)	100.00 %	Prosegur USAP International, S.L.U.	a	7	B
Transportadora de Caudales de Juncadella, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	94.79 %	Juncadella Prosegur Internacional, S.A.	a	2	A
		4.98 %	Armor Acquisition, S.A.			
		0.23 %	Prosegur Holding CIT ARG, S.A.			

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Seguridad, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Prosegur Argentina Holding, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	56.21 %	Prosegur Global SIS, S.L.U.	a	5	A
		43.79 %	Prosegur International SIS, S.L.U.			
Prosegur Inversiones Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	56.56 %	Prosegur Global SIS, S.L.U.	a	5	A
		43.44 %	Prosegur International SIS, S.L.U.			
Prosegur Holding CIT ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Global CIT, S.L.U.	a	5	A
		5.00 %	Prosegur International CIT 1, S.L.			
Prosegur Sistemas Integrales de Seguridad, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Prosegur Seguridad y Vigilancia, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Prosegur Gestión de Activos ARG, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	80.00 %	Prosegur Gestión de Activos, S.L.U.	a	3	A
		20.00 %	Prosegur Gestión de Activos Internacional, S.L.U.			
Grupo N, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 %	Prosegur Global CIT, S.L.U.	a	2	A
		10.00 %	Prosegur Internacional CIT 1, S.L.			
VN Global BPO, S.A.	La Rioja N° 441, oficinas D, E and F (Ciudad de Córdoba)	90.00 %	Prosegur Global CIT, S.L.U.	a	2	A
		10.00 %	Prosegur Internacional CIT 1, S.L.			
Dinero Gelt, S.A.	Calle Grecia (Ciudad de Buenos Aires)	95.00 %	Transportadora de Caudales de Juncadella, S.A.	a	2	B
		5.00 %	Prosegur Holding CIT ARG, S.A.			
Prosegur Vigilancia Activa, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			
Servicios Auxiliares Petroleros, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	100.00 %	Prosegur Gestión de Activos ARG, S.A.	a	1	A
Xiden, S.A.C.I.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	10.00 %	Prosegur International SIS, S.L.U.	a	1	A
		90.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Tecnología Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	90.00 %	Prosegur Global SIS, S.L.U.	a	1	A
		10.00 %	Prosegur International SIS, S.L.U.			
General Industries Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	90.00 %	Prosegur Global SIS, S.L.U.	a	1	A
		10.00 %	Prosegur International SIS, S.L.U.			
Prosegur Holding, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	80.00 %	Prosegur Global Alarmas, S.L.U.	a	5	A
		11.40 %	Prosegur International Alarmas, S.L.U.			
		8.60 %	Prosegur Compañía de Seguridad, S.A.			
Prosegur Inversiones, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	80.00 %	Prosegur Global Alarmas, S.L.U.	a	5	A
		11.41 %	Prosegur International Alarmas, S.L.U.			
		8.59 %	Prosegur Compañía de Seguridad, S.A.			
Prosegur Activa Argentina, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	90.00 %	Prosegur Holding, S.A.	a	3	A
		10.00 %	Prosegur Inversiones, S.A.			
Prosegur, S.A.	Tres Arroyos 2835 (Ciudad de Buenos Aires)	95.00 %	Prosegur Inversiones Argentina, S.A.	a	1	A
		5.00 %	Prosegur Argentina Holding S.A.			

Information at 31 December 2020 (continued)

Company name	Registered office	% of Par Value	Share	Basis of consolidation	Activity	Auditor
			Company Owning Shareholdings			
Servin Seguridad, S.A.	Montevideo 666 (Ciudad de Buenos Aires)	95.00%	Prosecur Inversiones Argentina, S.A.	a	1	A
Prosecur Holding SIS Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	5.00%	Prosecur Argentina Holding S.A.	a	5	A
		10.00%	Prosecur International SIS, S.L.U.			
Segurpro Vigilancia Patrimonial S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	100.00%	Prosecur Holding SIS Ltda.	a	1	A
Prosecur Serviços e Participações Societárias, S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	39.76%	Juncadella Prosecur Internacional, S.A.	a	5	A
		60.24%	Prosecur Global CIT, S.L.U.			
Prosecur Logística e Armazenamento Ltda.	Av. Marginal do Ribeirão dos Cristais, 200 (São Paulo)	100.00%	Prosecur Serviços e Participações Societárias, S.A.	a	2	B
Log Cred Tecnologia Comercio e Serviços Ltda.	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00%	Prosecur Serviços e Participações Societárias, S.A.	a	2	B
Luma Empreendimentos Eireli- ME	Avenida Santos Dumont, 1883 (Ciudad de Lauro de Freitas)	100.00%	Prosecur Serviços e Participações Societárias, S.A.	a	2	B
Cipher S.A.	Rua Alexandre Dumas, 1658 (São Paulo)	70.50%	Prosecur Companhia de Seguridad, S.A.	a	1	B
Prosecur Pay Consultoria em Tecnologia da Informação Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	100.00%	Prosecur Serviços e Participações Societárias, S.A.	a	2	B
Prosecur Brasil S.A. Transportadora de Valores e Segurança	Av. Guaratã, 633 (Belo Horizonte)	99.99%	Prosecur Serviços e Participações Societárias, S.A.	a	2	A
Getl Brasil Consultoria em Tecnologia da Informação Ltda.	Av. Pedroso de Morais, 2120 (São Paulo)	100.00%	Prosecur Alpha3 Cashlabs, S.L.	a	2	B
Segurpro Sistemas de Segurança Ltda.	Av. Guaratã, 667 (Belo Horizonte)	72.38%	Prosecur Global SIS, S.L.U.	a	1	B
		27.62%	Prosecur International SIS, S.L.U.			
Prosecur Administração de Recebíveis Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	99.79%	Prosecur Global SIS, S.L.U.	a	1	B
		0.21%	Segurpro Sistemas de Segurança Ltda.			
Segurpro Tecnologia em Sistemas de Segurança Eletronica e incendios Ltda.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	90.00%	Prosecur Global SIS, S.L.U.	a	1	B
		10.00%	Prosecur International SIS, S.L.U.			
Prosecur Activa Alarmes S.A.	Av. Ermano Marchetti, nº 1.435 (São Paulo)	41.99%	Prosecur Global Alarmas, S.L.U.	a	3	B
		58.01%	Prosecur International Alarmas, S.L.U.			
Prosecur Gestão de Ativos Ltda.	Rodovia BR 116, nº 13876, KM 102 (Curitiba)	99.99%	Prosecur Gestión de Activos, S.L.U.	a	7	B
		0.01%	Prosecur Companhia de Seguridad, S.A.			
Juncadella Prosecur Group Andina S.A.	Los Gobelinos 2567 (Santiago de Chile)	99.99%	Juncadella Prosecur Internacional, S.A.	a	5	A
		0.01%	Armor Acquisition, S.A.			
Capacitaciones Ocupacionales Sociedad Ltda.	Los Gobelinos 2567 (Santiago de Chile)	86.17%	Prosecur Global CIT, S.L.U.	a	2	A
		10.00%	Prosecur International CIT 1, S.L.			
		1.55%	Prosecur International Handels GmbH			
		2.28%	Juncadella Prosecur Group Andina S.A.			
Servicios Prosecur Ltda.	Los Gobelinos 2567 (Santiago de Chile)	99.98%	Prosecur Global CIT, S.L.U.	a	2	A
		0.01%	Prosecur International Handels GmbH			
		0.01%	Juncadella Prosecur Group Andina, S.A.			
		0.01%	Prosecur Chile, S.A.			
Servicios de Seguridad Prosecur Regiones Limitada	Los Gobelinos 2567 (Santiago de Chile)	99.00%	Prosecur Chile, S.A.	a	1	A
		1.00%	Prosecur Global SIS, S.L.U.			
Empresa de Transportes Companhia de Seguridad Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	60.00%	Juncadella Prosecur Group Andina S.A.	a	2	A
		40.00%	Prosecur International Handels GmbH			
Prosecur Tecnologia Chile Ltda.	Avenida del Condor 720 301 (Santiago de Chile)	99.99%	Prosecur Global SIS, S.L.U.	a	1	A
		0.01%	Prosecur Companhia de Seguridad, S.A.			
		0.00%	Prosecur Chile, S.A.			
Prosecur Activa Chile, S.L.	Avenida del Condor 720 301 (Santiago de Chile)	90.00%	Prosecur Global Alarmas, S.L.U.	a	3	A
		10.00%	Prosecur International Alarmas, S.L.U.			

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Gestion de Activos Chile Ltda.	Los Gobelinos 2567 (Santiago de Chile)	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
Prosegur Chile, S.A.	Los Gobelinos 2567 (Santiago de Chile)	10.00 %	Prosegur Gestion de Activos Internacional, S.L.U.	a	1	A
		30.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Ciberseguridad, S.A.S.	TV 23 #95-53 (Bogotá)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	1	B
Procesos Técnicos de Seguridad y Valores, S.A.S.	DB 74 #6-51 (Bogotá)	99.51 %	Inversiones CIT 2, S.L.U.	a	2	A
Compañía Colombiana de Seguridad Transbank Ltda.	Avda. de las Américas 41-09 (Bogotá)	50.00 %	Prosegur Colombia 1, S.L.U.	a	2	A
		49.00 %	Prosegur Colombia 2, S.L.U.			
		1.00 %	Prosegur Smart Cash Solutions, S.L.			
Corresponsales Colombia SAS	Calle 11 No. 31-89 Edificio Bosko Oficina 501 de Medellín (Bogotá)	100.00 %	Prosegur Cash, S.A.	a	2	A
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	Avda. de las Américas, 42-25 (Bogotá)	94.90 %	Prosegur Global CIT, S.L.U.	a	2	A
		5.10 %	Prosegur International CIT 1, S.L.U.			
		0.00 %	Prosegur Cash, S.A.			
		0.00 %	Prosegur Servicios de Efectivo España, S.L.U.			
		0.00 %	Prosegur Global CIT ROW, S.L.U.			
Prosegur Procesos, S.A.S.	Avda. de las Américas, 42-25 (Bogotá)	100.00 %	Inversiones CIT 2, S.L.U.	a	2	A
Inversiones BIV, S.A.S.	TV 23 #95-53 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	5	A
Prosegur Vigilancia y Seguridad Privada Ltda.	Calle 32 (Cartagena)	94.00 %	Inversiones BIV S.A.S.	a	4	A
Prosegur Tecnología, S.A.S.	Av. Carrera 50 No. 71-80 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	1	A
Servimax Servicios Generales, S.A.S.	TV 23 #95-53 (Bogotá)	100.00 %	Inversiones BIV S.A.S.	a	1	A
Prosegur Sistemas Electrónicos, S.A.S.	Av. Carrera 50 No. 71-80 (Bogotá)	100.00 %	Prosegur Global SIS, S.L.U.	a	1	A
Prosegur Seguridad Electrónica, S.A.S.	Av. Carrera 50 No. 71-80 (Bogotá)	100.00 %	Prosegur International Alarmas, S.L.U.	a	3	A
Servimax Servicios Temporales, S.A.S.	Calle 32 (Cartagena)	100.00 %	Inversiones BIV S.A.S.	a	1	B
Prosegur Gestión de Activos de Colombia, S.A.S.	AC 13 No. 42A-24 (Bogotá)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
Prosegur Gestión de Activos Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	95.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
		5.00 %	Prosegur Gestion de Activos Internacional, S.L.U.			
Prosegur Ciberseguridad Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	90.00 %	Prosegur Global Cyber Security, S.L.U.	a	1	B
		10.00 %	Prosegur Ciberseguridad, S.L.			
Prosegur Paraguay, S.A.	C/ Artigas, esq. Concepción Leyes de Chávez (Asunción)	99.00 %	Juncadella Prosegur Internacional, S.A.	a	2	A
		1.00 %	Transportadora de Caudales Juncadella, S.A.			
		5.00 %	Prosegur International SIS, S.L.U.			
Soluciones Integrales de Seguridad Prosegur Paraguay, S.A.	Avda. Artigas Nº 960 (Asunción)	95.00 %	Prosegur Global SIS, S.L.U.	a	1	A
Alarmas Prosegur Paraguay, S.A.	Avda. Artigas Nº 960 (Asunción)	5.00 %	Prosegur International SIS, S.L.U.	a	3	A
		90.00 %	Prosegur Global Alarmas, S.L.U.			
Proservicios, S.A.	Av. Los Proceres 250 (Lima)	10.00 %	Prosegur International Alarmas, S.L.U.	a	1	B
		95.00 %	Proseguridad, S.A.			
Prosegur Consumer Finance Perú S.A.C.	Av. República de Panamá 3890 (Lima)	5.00 %	Prosegur International SIS, S.L.U.	a	6	B
		90.00 %	Prosegur Compañía de Seguridad, S.A.			
Prosegur Cash Servicios, S.A.C.	Av. Morro Solar 1086 (Lima)	10.00 %	Prosegur Assets Management, S.A.	a	2	B
		90.00 %	Prosegur Cash, S.A.			
Compañía de Seguridad Prosegur, S.A.	Av. Morro Solar 1086 (Lima)	10.00 %	Prosegur Global CIT, S.L.U.	a	2	A
		52.00 %	Juncadella Prosegur Internacional, S.A.			
		48.00 %	Transportadora de Caudales de Juncadella, S.A.			

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Proseguridad, S.A.	Av. Los Proceres 250 (Lima)	64.89 %	Prosegur Global SIS, S.L.U.	a	1	A
		35.11 %	Prosegur Internacional SIS, S.L.U.			
Prosegur Cajeros, S.A.	La Chira, 103 (Lima)	52.00 %	Juncadella Prosegur Internacional, S.A.	a	2	B
		48.00 %	Transportadora de Caudales de Juncadella, S.A.			
Prosegur Tecnología Perú, S.A.	La Chira, 103 (Lima)	99.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
		1.00 %	Prosegur Internacional SIS, S.L.U.			
Reguard Security Corp., S.A.	Av. Los Proceres 250 (Lima)	84.86 %	Proseguridad, S.A.	a	1	B
		10.14 %	Inversiones RB, S.A.			
		5.00 %	Prosegur Internacional SIS, S.L.U.			
Proseguridad Selva, S.A.	Cas. Palmawasi San Martin (Tocache)	90.00 %	Reguard Security Corp., S.A.	a	1	B
		10.00 %	Prosegur Internacional SIS, S.L.U.			
Inversiones RB, S.A.	Avenida Nicolás Arriola, 780 (Lima)	95.00 %	Proseguridad, S.A.	a	5	B
		5.00 %	Prosegur Internacional SIS, S.L.U.			
Prosegur Activa Peru, S.A.	Av. República De Panamá 3890 (Lima)	50.29 %	Prosegur Global Alarmas, S.L.U.	a	3	A
		49.67 %	Prosegur Internacional Alarmas, S.L.U.			
		0.04 %	Prosegur Compañía de Seguridad, S.A.			
Prosegur Gestión de Activos, S.A.	La Chira, 103 - Surco - Lima	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
		10.00 %	Prosegur Gestion de Activos Internacional, S.L.U.			
		0.00 %	Prosegur Global Alarmas, S.L.U.			
Prosegur Mexico S de RL de C.V.	Avenida Nuevo León No. 265 (México DF)	85.60 %	Prosegur Global SIS, S.L.U.	a	5	A
		14.40 %	Prosegur Internacional SIS, S.L.U.			
Prosegur Compañía de Seguridad Privada S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de CV	a	1	A
		0.00 %	Prosegur Global SIS, S.L.U.			
Prosegur Seguridad Privada S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de CV	a	1	B
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de CV			
Prosegur Consultoria y Servicios Administrativos S de RL de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
		0.00 %	Prosegur Gestion de Activos Internacional, S.L.U.			
Prosegur Custodias, S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de CV	a	1	A
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de CV			
Prosegur Tecnología S.A. de C.V.	Avenida Nuevo León No. 265 (México DF)	100.00 %	Prosegur Mexico S de RL de CV	a	1	A
		0.00 %	Prosegur Compañía de Seguridad Privada S.A. de CV			
Prosegur Servicios Integrales en Seguridad Privada S.A. de CV	Avenida Nuevo León No. 265 (México DF)	99.998 %	Prosegur Mexico S de RL de C.V.	a	7	B
		0.002 %	Prosegur Compañía de Seguridad Privada S.A. de C.V.			
Marlina S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	A
Prosegur Ciberseguridad Uruguay, S.A. (ex-Loredat, S.A.)	Guarani 1531 (Montevideo)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	7	A
Prosegur Transportadora de Caudales, S.A.	Guarani 1531 (Montevideo)	99.91 %	Juncadella Prosegur Internacional, S.A.	a	2	A
		0.09 %	Armor Acquisition, S.A.			
Prosegur Activa Uruguay, S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Global Alarmas, S.L.U.	a	3	A
Nautiland, S.A.	Michelini, Zelmar 1121 (Maldonado)	100.00 %	Prosegur Activa Uruguay, S.A.	a	3	B

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Blindados, S.R.L.	Guarani 1531 (Montevideo)	99.00 %	Prosegur Transportadora de Caudales, S.A.	a	2	B
		1.00 %	Prosegur Global CIT, S.L.U.			
Genper, S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Global SIS, S.L.U.	a	1	A
GSM Telecom, S.A.	Del pino, Simon 1055, (Maldonado)	100.00 %	Prosegur Activa Uruguay, S.A.	a	3	B
Coral Melody, S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Activa Uruguay, S.A.	a	3	B
Tecnofren, S.A.	Michellini, Zelmar 1121 (Maldonado)	100.00 %	Prosegur Activa Uruguay, S.A.	a	3	B
Roytronic, S.A.	Guarani 1531 (Montevideo)	100.00 %	Prosegur Activa Uruguay, S.A.	a	3	B
Prosegur Uruguay Compañía de Seguridad, S.A.	Guarani 1531 (Montevideo)	90.00 %	Prosegur Uruguay BV S.A.	a	1	A
		10.00 %	Prosegur Global SIS, S.L.U.			
Pitco Asia Pacific Ltd.	Prudential Tower, The Gateway, Harbour City, 21 (Hong Kong)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Imperial Dragon Security Ltd.	Suite 1201 Tower 2, The Gateway, 25 (Hong Kong)	100.00 %	Luxpai Holdo, SARL	a	5	B
Pitco Shanghai Trading Co Ltd.	Suite 1146, No. 567 Langao Road (Shanghai)	100.00 %	Luxpai Holdo, SARL	a	5	B
Shanghai Meiyu Information Technology Co Ltd.	Room 519, Zhidan Road No. 180-190, (Shanghai)	100.00 %	Shanghai Pitco Information Technology Co	a	5	B
Shanghai Pitco Information Technology Co Ltd.	Room 517, Zhidan Road No. 180-190 (Shanghai)	100.00 %	Pitco Shanghai Trading Co Ltd.	a	5	B
Shanghai Bigu Investment Co Ltd.	Room 1373, Building 4, (Shanghai)	100.00 %	Shanghai Pitco Consulting Management Co Ltd.	a	5	B
Shanghai Pitco Consulting Management Co Ltd.	Room 1601, Building 4, (Shanghai)	100.00 %	Pitco Shanghai Trading Co Ltd.	a	5	B
Shangxi Laide Security Service Co Ltd.	Building 18, Hengshan housing estate, (Taiyuan)	70.00 %	Shanghai Bigu Investment Co Ltd.	a	1	B
Shanghai Prosegur Security Service Co Ltd.	Room 446, Building 3, (Shanghai)	100.00 %	Shanghai Bigu Investment Co Ltd.	a	1	B
Nanjing Zhong Dun Security Services Co Ltd.	Room 212, No 359, Building A (Nanjing City)	80.00 %	Shanghai Meiyu Information Technology Co Ltd.	a	1	B
Command Security China Limited	26/F, The Hennessy 256 Hennessy Road, Wan Chai, (Hong Kong)	100.00 %	Prosegur Services Group Incorporated	a	1	B
Shanghai Bigu Security Technology Co Ltd	1st floor, Building 13, Zhengbo Road No. 1881, Fengxian District, Shanghai	100.00 %	Shanghai Bigu Investment Co Ltd.	a	1	B
Prosec Services Pte Ltd.	111 Geylang Road, #01-01 (Singapore)	100.00 %	Luxpai Holdo, SARL	a	1	A
Singpai Pte Ltd.	80 Robinson Road #02-00 (Singapore)	100.00 %	Luxpai CIT SARL	a	5	A
Prosec Cash Services Pte Ltd.	111 Geylang Road, #01-01 (Singapore)	100.00 %	Singpai Pte. Ltd.	a	2	B
Prosegur Singapore Pte Ltd.	3 New Industrial Road (Singapore)	100.00 %	Luxpai Holdo, SARL	a	1	A
Singpai Alarms Private Ltd.	111 Geylang Road, #01-01 (Singapore)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	5	A
Focal Investigation & Security Agency Pte Ltd.	5001 Beach Road, #04-22 (Singapore)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	A
Prosegur SIS USA Incorporated (formerly Prosegur Security USA Incorporated)	251 Little Falls Drive Street, Wilmington - New Castle 19808 (Delaware)	100.00 %	Prosegur Global SIS ROW, S.L.U.	a	1	B
Prosegur Security Monitoring Incorporated	220 Howard Street - Lowell (Massachusetts - USA)	100.00 %	Prosegur Security USA Incorporated	a	1	B
Cipher Security LLC	703 Waterford Way Suite 490, Miami, Florida 33126 - (USA)	100.00 %	Cipher Security Limited	a	1	B
Prosegur Security Integration LLC	755 NW 17th Ave #101 (USA)	77.08 %	Prosegur Security USA Incorporated	a	1	B
Prosegur Services Group Incorporated	512, Herndon Parkway Suite A, Herndon Virginia 20170, USA	100.00 %	Prosegur Security USA Incorporated	a	1	B
Prosegur Technology International Incorporated	251 Little Falls Drive Street, Wilmington - New Castle 19808 - Delaware - USA	100.00 %	Prosegur Security USA Incorporated	a	1	B
Prosegur EAS USA LLC	512 Herndon Parkway, Suite A - Herndon, VA 20170 - USA	77.08 %	Prosegur SIS Security USA Incorporated	a	1	B
Prosegur Security USA Incorporated	251 Little Falls Drive, Wilmington, 19808 New Castle (Delaware)	96.50 %	Prosegur SIS Security USA Incorporated	a	1	B
Prosegur Australia Holdings PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	5	A
Prosegur Australia Investments PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Holdings PTY Limited	a	5	B
Prosegur Australia Pty Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Investments PTY Limited	a	2	B
Prosegur Services Pty Ltd	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Holdings PTY Limited	a	2	B
Prosegur Assets Management Pty Ltd	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Gestion de Activos, S.L.U.	a	7	A
Cash Services Australia Pty Limited	Level 5, 205 Pacific Highway, St Leonards NSW 2065	100.00 %	Prosegur Australia Holdings PTY Limited	a	2	B

Information at 31 December 2020 (continued)

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur SPV 1 PTY Limited	Level 1, 65 Epping Road, Macquarie Park NSW 2113	100.00 %	Prosegur Australia Holdings PTY Limited	a	2	B
Beagle Watch Armed Response Proprietary Limited	1st Floor Unison House, 190 Smith Street (Fairland) 2030 (Johannesburg)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	5	B
Beagle Technical (Pty) Ltd.	Unison House, 190 Smit Street, Fairland - Gauteng 2195	100.00 %	Beagle Watch Armed Response Proprietary Limited	a	3	B
Beagle Control (Pty) Ltd.	Unison House, 190 Smit Street, Fairland - Gauteng 2195	100.00 %	Beagle Watch Armed Response Proprietary Limited	a	3	B
Prime Hiring India Private Ltd	Regus Elegance, 2F, Elegance Jasola District Centre, Old Mathura Road (New Delhi)	99.99 %	Luxpai Holdo SARL	a	1	B
		0.01 %	Pitco Asia Pacific Ltd.			
Prosegur CIT Integral System India Private Ltd.	Regus Elegance, 2F, Elegance Jasola District Centre, Old Mathura Road (New Delhi)	95.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	B
		5.00 %	Luxpai CIT SARL			
PT Prosegur Cash Indonesia	Gedung Gajah Blok A, B, C Lantai 3A Unit BIV, Jl. Dr. Saharjo N° 111, RT/RW 001/01, (Jakarta)	49.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Dognaedis Limited	Gallows Hill Warwick CV34 6UW, (United Kingdom)	100.00 %	Prosegur Global Cyber Security, S.L.U.	a	1	B
Cipher Security Limited	45 Pall Mall, St James's, SW1Y 5JG, (London, UK)	70.50 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Prosegur Security UK Limited	Innovation Centre, Gallows Hill, Warwick CV34 6UW (United Kingdom)	100.00 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Prosegur Alarm Hizmetleri Anonim Şirketi	Maslak, Ahi Evran Caddesi No: 21 Kat: 13 Polaris Plaza (Istanbul)	100.00 %	Prosegur Global Alarmas ROW, S.L.U.	a	3	B
CASH Centroamerica Dos	Distrito Panamá (Panama)	16.67 %	Prosegur Global CIT, S.L.U.	a	2	B
Consortio CSC two Panama	Avenida Doce de Octubre 1A (entre 50 y calle 80) - Pueblo Nuevo - Panama	51.00 %	Prosegur Services Group Incorporated	a	1	B
Protección de Valores, S.A.	Km 4.5 Carretera a Masaya (Managua)	49.94 %	CASH Centroamerica 1	a	2	A
		39.94 %	CASH Centroamerica 2			
		10.12 %	CASH Centroamerica 3			
Proteccion de Valores S.A. de CV	Calle Padres Aguilar No. 9 (San Salvador)	60.00 %	CASH Centroamerica 1	a	2	A
		40.00 %	CASH Centroamerica 2			
Prosegur Gestion de Activos Honduras S de RL	Ciudad de San Pedro Sula, Departamento de Cortes	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	B
		10.00 %	Prosegur Gestión de Activos Internacional, S.L.			
Protección de Valores, S.A.	Colonia San Ignacio, 4ta calle 5ta Avenida (Tegucigalpa)	60.00 %	CASH Centroamerica 1	a	2	A
		40.00 %	CASH Centroamerica 2			
Gestion de Activos Cash Guatemala S.A.	6A. Calle 6-38 Edificio Tivoli Plaza, 7 Nivel Zona 9 (Guatemala)	90.00 %	Prosegur Gestión de Activos, S.L.U.	a	7	B
		10.00 %	Prosegur Gestión de Activos Internacional, S.L.			
Corporacion Allium, S.A.	15 Avenida 'A' 3-67 Oficina No 5 Zona 13 (Guatemala)	90.00 %	Prosegur Global CIT, S.L.U.	a	2	B
		10.00 %	Prosegur International CIT 1, S.L.			
Prosegur Filipinas Holding Corporation	21st Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City (The Philippines)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	B
Prosegur Global Resources Holding Philippines Incorporated	18th Floor, Philamlife Tower, 8767 Paseo de Roxas, Makati City, NCR (The Philippines)	100.00 %	Prosegur Global CIT ROW, S.L.U.	a	2	A
Armored Transport Plus Incorporated	Unit 401 J & L Bldg. 251 EDSA, Wack-Wack, Mandaluyong City (The Philippines)	36.00 %	Prosegur Global Resources Holding Philippines Incorporated	a	2	B
E-CTK Solutions Incorporated	Suite 21G Burgundy Corporate Tower, 252 Sen. Gil Puyat Ave., Makati City (The Philippines)	36.00 %	Prosegur Global Resources Holding Philippines Incorporated	a	2	A
Fortress Armored Transport Incorporated	IWMPCC Bldg., Ilang-Ilang St. Alido Subd. Brgy. Bulihan Malolos Bulacan (The Philippines)	36.00 %	Prosegur Global Resources Holding Philippines Incorporated	a	2	A
Consultoría de Negocios CCR Consulting Costa Rica, S.A.	San Jose, Costa Rica	70.00 %	Prosegur Global CIT, S.L.U.	a	2	B
		30.00 %	Prosegur International CIT 1, S.L.			
Prosegur BSI Canada Limited	700 - 401 WEST GEORGIA STREET, VANCOUVER BC V6B 5A1-CANADA	77.08 %	Prosegur Compañía de Seguridad, S.A.	a	1	B
Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	90.00 %	Prosegur Cash, S.A.	a	2	A
		10.00 %	Prosegur Global CIT, S.L.U.			
Tevlogistic, S.A.	Tevlogistic, S.A.	99.99 %	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	a	2	B
		0.01 %	Prosegur Global CIT, S.L.U.			
Transportadora Ecuatoriana de Productos Valorados Setaproval, S.A.	Transportadora Ecuatoriana de Productos Valorados Setaproval, S.A.	99.99 %	Transportadora Ecuatoriana de Valores TEVCOL Cia Ltda.	a	2	B
		0.01 %	Prosegur Global CIT, S.L.U.			

Basis of consolidation

- a. The company controls the investee, which is fully consolidated.
- b. Existence of significant influence, equity-accounted.
- c. Temporary Joint Ventures are consolidated using the proportional consolidation method.

Activity

1. Activities from the Security business group.
2. Area of activities of the Cash business group.
3. Activities from the Alarms business group.
4. Activities included in more than one business group.
5. Holding company.
6. Financial services.
7. Ancillary services.
8. Dormant.

Auditor:

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

VIII. APPENDIX II. – Breakdown of Joint Arrangements

Information at 31 December 2021 - Joint Ventures

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Holding Corporación, S.L.	Pajaritos, 24 (Madrid)	50.00 %	Prosegur Cia de Seguridad, S.A.	b	7	B
Movistar Prosegur Alarmas, S.L. (Ex-Prosegur Alarmas España, S.L.)	Pajaritos, 24 (Madrid)	50.00 %	Prosegur Global Alarmas ROW, S.L.U.	b	3	C
Dinero Gelt, S.L.	Arturo Soria, 97 - 28027 (Madrid)	70.73 %	Alpha3 Cashlabs, S.L.	b	2	B
Tidian Europe S.L.	Pajaritos, 24 (Madrid)	50.00 %	Prosegur Compañía de Seguridad, S.A.	b	7	B
Zerius Europe, S.L.	Paseo de la Castellana, 53 (Madrid)	49.00 %	Prosegur Cash, S.A.	b	2	B
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	Av. Ermano Marchetti, nº 1.435 (São Paulo)	50.00 %	Prosegur Compañía de Seguridad, S.A.	b	10	B
Prosegur, S.A.	Popa Lazar nº 5-25, 1ª planta, sector 2 (Bucharest)	50.00 %	Through: Rosegur Holding Corporacion, S.L.	b	6	B
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2 (Bucharest)	99.98 %	Through: Rosegur, S.A.	b	6	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2 (Bucharest)	99.98 %	Through: Rosegur, S.A.	b	6	B
SIS Cash Services Private Ltd.	Annapurna Bhawan, Kurji, Patna 8000001 (Bihar - India)	49.00 %	Singpai Pte. Ltd.	b	2	B
SIS Prosegur Holdings Private Limited	Regus Elegance 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi, South Delhi, Delhi, India - 110025	100.00 %	SIS Cash Services Private Ltd.	b	2	B
SIS Prosegur Cash Logistics Private Limited	Annapurna Bhawan, Kurji, Patna 8000001 (Bihar - India)	100.00 %	SIS Cash Services Private Ltd.	b	2	B
Prosegur Technological Security Solutions LLC	Ayad Hammad Harazeen Building (Muroor St). 4th (Abu Dhabi)	49.00 %	Prosegur Cia de Seguridad, S.A.	b	7	C

Information at 31 December 2021 - Joint Operations. Temporary Joint Ventures

Company name	Registered office	Share		Notes	Activity
		% of Par Value	Partner company in the joint venture		
UTE FERROSER PCS UNIV. EUROPEA MADRID	Principe de Vergara, 135 (Madrid)	95.00 %	FERROVIAL SERVICIOS	d	1
UTE PCS SSG LA FINCA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PES ESC AEROPUERTO DE ALICANTE	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PES ESC AEROPUERTO DE MADRID-BARAJAS EXP 84/15 LOTE 1	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC AEROPUERTO DE SANTIAGO	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PSISE ESC PSEE REAL ALCAZAR DE SEVILLA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR- ESC AENA EXP SEG 443/16 LOTE 3	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC AENA EXP SEG 528/16	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR - ESC BANCO DE ESPAÑA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC GETXO KIROLAK 1	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE-PSEE MUSEOS VALENCIA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PSISE ESC HZ (Hipódromo de la Zarzuela)	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PSISE ESC MUSEO GUGGENHEIM DE BILBAO III	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR-ESC METRO DE GRANADA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC FUND. PRIV. HOSPITAL DE LA SANTA CREU I SANT PAU (RECIENTE MODERNISTA) 2	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC CENTRO COMERCIAL LOS CIPRESES MERCASA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR- ESC AENA EXP SEG 629/2017 LOTE 10	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC PROMOCION Y DESARROLLO DE LA CIUDAD DE BURGOS	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE PSEE FNMT - REAL CASA DE LA MONEDA DE MADRID	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR - ESC EMALCSA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC DIVERTIA FESTEJOS GIJON II	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC FUND. COLECCION THYSSEN-BORNEMISZA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR EyM (METRO Madrid security system)	Pajaritos, 24 (Madrid)	50.00 %	EyM Instalaciones	d	1
UTE PROSEGUR ESC MERCASA SALAMANCA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC UNIVERSIDAD POLITECNICA DE VALENCIA IV	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC AYUNTAMIENTO BURGOS LOTE 1	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC PSA GROUP	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC CETARSA II	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE CIPHER CONSORCIO DE AGUAS DE LA ZONA GADITANA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR ESC AENA CONDUCCION	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC GOBIERNO VASCO LOTES 1 Y 2	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR ESC AGENCIA TRIBUTARIA 3	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC DIVERTIA FESTEJOS GIJON III	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC UNIVERSITAT LLEIDA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC PSEE CIBERSEGURIDAD FUDN. COLECCION THYSSEN-BORN	Pajaritos, 24 (Madrid)	100.00 %		d	1
SEGURIDAD TOTAL	Calle 19 B 34-69 (Bogotá)	53.00 %	SU OPORTUNO SERVICIO LTDA	d	1
SIGLO XXI	OFICINA TEUSAQUILLO PROSEGUR VIGILANCIA	55.00 %	SU OPORTUNO SERVICIO LTDA	d	1
SEGURIDAD INTEGRAL	Calle 19 B 34-69 (Bogotá)	51.49 %	SU OPORTUNO SERVICIO LTDA	d	1
SEGURIDAD PROAND 2018	Calle 75 20B 69 (Bogotá)	50.00 %	ANDISEG LTDA-CIA. ANDINA DE SEGURIDAD PRIVADA	d	1
UNION TEMPORAL ESQUEMAS DE PROTECCION 20/20	Calle Transversal 23 95-53 (Bogotá)	45.00 %	SU OPORTUNO SERVICIO LTDA / GRANADINA DE VIGILANCIA LTDA	d	1
PROTECCION S&P	Calle 19 #68B-76 (Bogotá)	50.00 %	SU OPORTUNO SERVICIO LTDA	d	1
PROTECCION ESPECIALIZADA 2021	Calle 19 #68B-76 (Bogotá)	50.00 %	SU OPORTUNO SERVICIO LTDA	d	1
PROSOS 2021	Cra 51b No 80 117 (Bogotá)	37.00 %	SU OPORTUNO SERVICIO LTDA	d	1
SEVICOL MIRO PROSEGUR	Calle 71 No 29 44(Bogotá)	36.00 %	SEVICOL LTDA-MIRO LTDA	d	1

Information at 31 December 2020- Joint Ventures

Company name	Registered office	Share		Basis of consolidation	Activity	Auditor
		% of Par Value	Company Owning Shareholdings			
Prosegur Holding Corporación, S.L.	Pajaritos, 24 (Madrid)	50.00 %	Prosegur Cia de Seguridad, S.A.	b	7	B
Prosegur Alarmas España, S.L.U.	Pajaritos, 24 (Madrid)	50.00 %	Prosegur Global Alarmas ROW, S.L.U.	b	3	C
Dinero Gelt, S.L.	Moscatelar nº 1K, 28043 (Madrid)	60.05 %	Prosegur Alpha3 Cashlabs, S.L.	b	2	B
Prosegur, S.A.	Bulevardul Ghica Tei , Nr. 64-70, Sector 2 (Bucharest)	50.00 %	Through: Rosegur Holding Corporacion, S.L.	b	6	B
Rosegur Services, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2 (Bucharest)	100.00 %	Through: Rosegur, S.A.	b	6	B
Rosegur Fire, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2 (Bucharest)	99.98 %	Through: Rosegur, S.A.	b	6	B
Rosegur Training, SRL	Bulevardul Ghica Tei , Nr. 64-70, Sector 2 (Bucharest)	99.98 %	Through: Rosegur, S.A.	b	6	B
SIS Cash Services Private Ltd.	Annapurna Bhawan, Kurji, Patna 8000001 (Bihar - India)	49.00 %	Singpai Pte. Ltd.	b	2	B
SIS Prosegur Holdings Private Limited	Regus Elegance 2F, Elegance, Jasola District Centre, Old Mathura Road, New Delhi, South Delhi, Delhi, India - 110025	100.00 %	SIS Cash Services Private Ltd.	b	2	B
SIS Prosegur Cash Logistics Private Limited	Annapurna Bhawan, Kurji, Patna 8000001 (Bihar - India)	100.00 %	SIS Cash Services Private Ltd.	b	2	B
Prosegur Technological Security Solutions LLC	Ayad Hammad Harazeen Building (Muroor St). 4th (Abu Dhabi)	49.00 %	Prosegur Cia de Seguridad, S.A.	b	7	C

Information at 31 December 2020 - Joint Operations. Temporary Joint Ventures

Company name	Registered office	Share		Notes	Activity
		% of Par Value	Partner company in the joint venture		
UTE FERROSER PCS UNIV. EUROPEA MADRID	Príncipe de Vergara, 135 (Madrid)	95.00 %	FERROVIAL SERVICIOS	d	1
UTE PCS SSG LA FINCA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR SERVIMAX HOSPITAL CLINIC DE BARCELONA I FUNDACION HOSPITAL	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PES VASBE GERENCIAS TERRITORIALES MNTO. JUSTICIA	Pajaritos, 24 (Madrid)	43.00 %	VASBE	d	1
UTE PES SSG UNIVERSITAT POMPEU FABRA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PES ESC AEROPUERTO DE ALICANTE	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PES ESC INTEGRA II GENERAL MOTORS ESPAÑA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC UNIVERSIDAD POLITECNICA DE VALENCIA III	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PES ESC AEROPUERTO DE MADRID-BARAJAS EXP 84/15 LOTE 1	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC AEROPUERTO DE SANTIAGO	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PSISE ESC MERCABARNA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PSISE ESC PSEE REAL ALCAZAR DE SEVILLA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR- ESC AENA EXP SEG 443/16 LOTE 3	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC AENA EXP SEG 528/16	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR - ESC BANCO DE ESPAÑA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-MAGMACULTURA MUSEO NACIONAL DEL PRADO	Pajaritos, 24 (Madrid)	50.00 %	MAGMA CULTURA	d	1
UTE PSIS-ESC GOBIERNO VASCO II	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR ESC GETXO KIROLAK 1	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC AEROPUERTO DE LLEIDA-ALGUAIRE	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE-PSEE MUSEOS VALENCIA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PSISE ESC HZ (Hipódromo de la Zarzuela)	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR-ESC OFICINA ANTIFRAU DE CATALUNYA IV	Pajaritos, 24 (Madrid)	100.00 %		d	3
UTE PSISE ESC MUSEO GUGGENHEIM DE BILBAO III	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR-ESC EMATSA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC METRO DE GRANADA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC MERCAOLID	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC AGENCIA TRIBUTARIA 2	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC FUND. PRIV. HOSPITAL DE LA SANTA CREU I SANT PAU (RECIENTE MODERNISTA) 2	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC CENTRO COMERCIAL LOS CIPRESES MERCASA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC DIVERTIA FESTEJOS GIJON	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR- ESC AENA EXP SEG 629/2017 LOTE 10	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC AENA MURCIA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR-ESC PROMOCIÓN Y DESARROLLO DE LA CIUDAD DE BURGOS	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE PSEE FNMT - REAL CASA DE LA MONEDA DE MADRID	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR - ESC EMALCSA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC DIVERTIA FESTEJOS GIJON II	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC FUND. COLECCIÓN THYSSSEN-BORNEMISZA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR EyM (METRO Madrid security system)	Pajaritos, 24 (Madrid)	50.00 %	EyM Instalaciones	d	1
UTE PROSEGUR ESC MERCASA SALAMANCA	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC UNIVERSIDAD POLITECNICA DE VALENCIA IV	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC AYUNTAMIENTO BURGOS LOTE 1	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC PSA GROUP	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PROSEGUR ESC CETARSA II	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE CIPHER CONSORCIO DE AGUAS DE LA ZONA GADITANA	Pajaritos, 24 (Madrid)	100.00 %		d	2
UTE PROSEGUR ESC AENA CONDUCCION	Pajaritos, 24 (Madrid)	100.00 %		d	1
UTE PSISE ESC GOBIERNO VASCO LOTES 1 Y 2	Pajaritos, 24 (Madrid)	100.00 %		d	2

Information at 31 December 2020 - Joint Operations. Temporary Joint Ventures (continued)

Company name	Registered office	Share		Notes	Activity
		% of Par Value	Partner company in the joint venture		
UTE PROSEGUR ESC AGENCIA TRIBUTARIA 3	Pajaritos, 24 (Madrid)	100.00 %		d	1
SEGURIDAD TOTAL	Calle 19 B 34-69 (Bogotá)	53.00 %	Seguridad SOS	d	1
SIGLO XXI	OFICINA TEUSAQUILLO PROSEGUR VIGILANCIA	55.00 %	Seguridad SOS	d	1
SEGURIDAD INTEGRAL	Calle 19 B 34-69 (Bogotá)	51.00 %	Seguridad SOS	d	1
SEGURIDAD PROAND 2018	Calle 75 20B 69 (Bogotá)	50.00 %	Andiseg LTDA	d	1
UNION TEMPORAL ESQUEMAS DE PROTECCION 20/20	Calle Transversal 23 95-53 (Bogotá)	45.00 %		d	1
PROTECCION S&P	Calle 19 #68B-76 (Bogotá)	50.00 %	Seguridad SOS	d	1
PROTECCION ESPECIALIZADA 2021	Calle 19 #68B-76 (Bogotá)	50.00 %	Seguridad SOS	d	1

Basis of consolidation

- a. The company controls the investee, which is fully consolidated.
- b. Existence of significant influence, equity-accounted.
- c. Temporary Joint Ventures are consolidated using the proportional consolidation method.

Activity

1. Activities from the Security business group.
2. Area of activities of the Cash business group.
3. Activities from the Alarms business group.
4. Area of activities of the Cipher business group.
5. Area of activities of the AVOS business group.
6. Activities included in more than one business group.
7. Holding company.
8. Financial services.
9. Ancillary services.
10. Dormant.

Auditor:

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

Notes:

- d. The purpose of the joint operations corresponds entirely to the services related to the Comprehensive Security Solutions business line.

JV Activity:

1. Active Joint Venture.
2. Dormant Joint Venture.
3. Joint Venture being wound up.

IX. APPENDIX III. – Summary Financial Information on Joint Ventures

Information at 31 December 2021

Thousands of Euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Dinero Gelt	Movistar Prosegur Alarmas	Other companies of little significance	Total
Information on the statement of financial position						
Non-current assets	17,358	9,844	1,024	691,847	1,043	721,117
Non-current liabilities	(18,760)	(1,291)	(340)	(65,436)	(106)	(85,933)
Total non-current net assets	(1,402)	8,553	684	626,411	938	635,184
Current assets	23,143	10,940	3,417	91,353	1,739	130,591
Cash and cash equivalents	8,984	322	1,098	5,247	360	16,010
Current liabilities	(16,772)	(13,368)	(2,478)	(200,751)	(1,276)	(234,644)
Total current net assets	6,371	(2,428)	939	(109,398)	463	(104,053)
Net assets	4,969	6,125	1,623	517,014	1,400	531,131
Percentage share	49 %	49 %	66 %	50 %		—
Share in net assets	2,435	3,001	1,067	258,507	701	265,711
Share accounting value	2,435	3,001	1,067	258,507	701	265,711
Income statement information						
Revenue	32,438	12,671	5,757	265,729	807	317,401
Cost of sales	(30,640)	(13,032)	(7,984)	(275,003)	(970)	(327,629)
Financial income	155	18	2	2	—	177
Depreciation and amortisation	(2,073)	(493)	(98)	(33,931)	—	(36,594)
Financial expense	(1,371)	(370)	(20)	(573)	37	(2,297)
Expense (income) from income tax	(105)	248	316	2,353	(2)	2,811
Profit/(loss) of the year from ongoing operations	322	(483)	(1,930)	(7,492)	(128)	(9,536)
Profit/(loss) for the year	322	(483)	(1,930)	(7,492)	(128)	(9,536)
Other comprehensive income	—	—	—	—	—	—
Profit/(loss) for Investments accounted for using the equity method	234	(228)	(1,267)	(3,746)	(64)	(5,071)

Information at 31 December 2020

Thousands of Euros	SIS Cash Services Private Limited	SIS Prosegur Holdings Private Limited	Dinero Gelt	Movistar Prosegur Alarmas	Other companies of little significance	Total
Information on the statement of financial position						
Non-current assets	11,332	9,206	525	595,293	2	616,358
Non-current liabilities	(8,214)	(1,268)	(100)	(7,319)	(48)	(16,949)
Total non-current net assets	3,118	7,938	425	587,973	(45)	599,409
Current assets	17,327	12,930	1,585	74,975	600	107,417
Cash and cash equivalents	2,805	1,067	327	4,772	301	9,272
Current liabilities	(16,235)	(14,670)	(830)	(138,443)	(401)	(170,579)
Total current net assets	1,092	(1,740)	755	(63,468)	199	(63,163)
Net assets	4,210	6,197	1,180	524,506	154	536,246
Percentage share	49 %	49 %	52.42 %	50 %	—	—
Share in net assets	2,063	3,037	617	262,253	77	268,047
Share accounting value	2,063	3,037	617	262,253	77	268,047
Income statement information						
Revenue	28,080	13,668	2,021	153,053	1,099	197,921
Cost of sales	(25,810)	(14,961)	(2,826)	(154,246)	(1,071)	(198,914)
Financial income	—	—	0.18125	(5.70186)	—	(6)
Depreciation and amortisation	(1,512)	(470)	(37)	(27,636)	(58)	(29,713)
Financial expense	(1,708)	(686)	(5)	564	(89)	(1,925)
Expense (income) from income tax	(87)	226	—	(778)	14	(625)
Profit/(loss) of the year from ongoing operations	475	(1,754)	(810)	(1,408)	(47)	(3,548)
Profit/(loss) for the year	475	(1,754)	(810)	(1,408)	(47)	(3,548)
Profit/(loss) for Investments accounted for using the equity method	233	(859)	(424)	(707)	(24)	(1,781)



Consolidated
Directors' report

2021

Prosegur Compañía de Seguridad, S.A.
and subsidiaries



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Letter from the President



Helena Revoredo

President

The poet Rainer Maria Rilke said that the basis of any important success is to be able to withstand adversity, to turn walls into steps. In Prosegur, for the second consecutive year, we have successfully overcome the formidable barrier of the COVID-19 health crisis. We did so thanks to the effort of our professional teams and the experience of 45 years of activity. First of all, our thanks to the almost 150,000 people who make up Prosegur, since this year was also one of intense activity, innovation and hope for us.

In these twelve months we have persevered in our desire to create a safer world for all. A path that is laid out in the 2021-2023 Strategic Plan, and that we unveiled at the start of the year. By means of this plan we have set ambitious challenges that should lead us to generate income in its final year in the region of EUR

4,200 to 4,500 million. But beyond the volume of income, it is our hope that these will reflect greater diversification, in terms of geographic origin -where we want the United States to acquire greater importance- as well as in terms of the type of services that we offer our clients. By the end of the Plan, sales of New Products should comprise between 35 and 40% of total income. To achieve this, we will continue to work on our transformation initiatives and strive to become a company driven by technology, according to our intention to remain a pioneering and ground-breaking company open to continuous innovation.

We believe that protection in today's world means providing maximum possible peace of mind in the physical and digital environments of our clients, the members of our teams, and the general public. This also implies an active and concrete commitment to the societies in which we operate, and to the preservation and future of the planet as a whole.

With this vision, our Board of Directors approved a Master Sustainability Plan that explains and develops our commitment with transformation toward a global sustainable society in line with the United Nations Sustainable Development Goals (SDG). An action document that ties us to all members of Prosegur, with whom we share a concern for the well-being of people and the future of the planet.

We have structured our Master Sustainability Plan into four major areas: Environment, People, Safe Work and Ethics, Transparency and Governance. Overall these are 63 specific initiatives with a series of detailed indicators that allow us to measure their impact and evolution. And we have furthermore linked the variable remuneration of Senior Management to the achievement of sustainability goals, as additional proof of our profound conviction and desire to reach the goals set.

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. Prosegur and Prosegur Cash were the first companies to receive the AENOR Good Corporate Governance certification; we were the first security company to join The Climate Pledge initiative; we began our decarbonisation and emissions offsetting project; we joined Foretica, a benchmark organisation in sustainability and corporate social responsibility in Spain; to provide just a few examples.

Of special relevance in 2021, the second external audit took place of our management of due diligence in Human Rights. A study that reflects our maturity in the protection of and respect for human rights, and the commitments defined in our corporate policy. And perhaps more importantly, an exercise that allows us to continue to identify areas for improvement to strengthen our ambition to provide a decent, safe and healthy working environment to the approximately 150,000 Prosegur employees worldwide.

Lastly, as we do every year, I cannot fail to mention the activities of the Prosegur Foundation, with which we aspire to build a better future. Without a doubt, the Foundation's work in its fight against poverty, inequality and the defence of the planet, complements and strengthens our company's action to achieve the Sustainable Development Goals.

In 2021, in the Prosegur Foundation we developed projects in 14 countries. Just like last year, we continue developing an innovative approach because social challenges have evolved and, consequently, so has our response capacity.

In this context, we have implemented new forms of collaborative work to continue responding to beneficiary needs, in order to be more efficient and scalable. Technological solutions such as online platforms and formats have been key in this regard: they have allowed us to keep educational or volunteer activities alive that could not be carried out as before, in person.

In short, the difficulties experienced have also been an opportunity to deepen our strategic and digital adaptation as a Foundation, prioritising agility, creating internal collaboration networks that break down silos and generating alliances with leading entities and entrepreneurs to achieve a more systemic impact.

The year we are reporting has undoubtedly been complicated for everyone. In all humility, let me say that we regard our employees as everyday heroes, people who are willing to take risks for the benefit of others, and conscious of the fact that the essential task of protection must be carried out creatively and intelligently.

Beyond that, we believe that ethical, responsible and efficient management is a fundamental guarantee of our capacity for long-term growth and sustainability. And, in short, the best way to turn barriers into steps.

Thank you for your trust.

Message from the Managing Director



Christian Gut

Managing Director

In 2021, we witnessed the succession of different strains of the virus and waves of contagion, although with a general trend of sustained improvement in the health situation compared to the worst moments of the previous year. The final part of the year was particularly complex, but the experience and lessons learned in 2020 have undoubtedly allowed us to operate with greater solvency within the difficult context of the health crisis.

In any event, the sequence of peaks and troughs, generated by the successive waves, has left us with a scope of action in which uncertainty continues, which has in turn hampered the sustained recovery of economies.

As for Prosegur, our priorities remain unchanged. We continue to be fully invested in

ensuring the best and most innovative security services for our clients and, as could not be otherwise, we continue to place particular attention on protecting our workforce.

In order to continue taking steps forward in our aspiration for progress, we have designed the new Strategic Plan for the 2021-2023 period. Under the name 'Perform & Transform', this plan's goal is to consolidate our world leadership in the security market and to accelerate the profitable growth of our operations.

Perform refers to the ongoing improvement of processes, the generation of operational efficiencies and the search for the necessary flexibility to operate in contexts of uncertainty. In terms of Transform, we are working to develop the solutions and services that will be key to our future, some of which already have considerable presence in our commercial proposal. As part of our strategy, the deployment of a technology infrastructure that supports the operating model and allows us to implement this innovation strategy plays an important role.

To this regard, we commit to a significant investment in digitalisation and innovation in the years to come. Our goal is to transform the markets representing over two thirds of our sales by the end of the plan.

We move forward with the conviction that the new plan is the perfect convergence between process improvements and operational optimisation, together with innovation initiatives. We are certain that in this new stage we will make a great leap forward and that this will be reflected in an improved valuation of the company and our offer of services.

Profit/(loss) for 2021 was affected by the high incidence of COVID-19 and, most notably, by the Omicron variant during the last part of the year. Factors that add to others such as the supply

crisis or other, more specific ones like the weak exchange rate in some of the countries in which we operate, most notably LatAm.

In 2021 we generated EUR 3,498 million in total income, which represents a slight 2% decrease. Our organic growth advanced by 5.4% but was nevertheless insufficient to counter the negative impact of the exchange rate (4.7%) and the inorganic decrease, mainly as a result of the sale of operations in France, Mexico and the Alarms business in Spain in 2020.

Our consolidated operating profit (EBITA) before amortisation reached EUR 222.7 million, while the EBITA margin to consolidated sales was 6.4%.

It is worthy of note that, just like the year before, efficiency measures have continued to substantially improve the business cash flow. With an excellent EBITDA to cash conversion ratio of close to 80%.

In terms of the activity of our businesses, Prosegur Security reported a slight drop in turnover of 0.5%. Performance in Spain and the United States, which generated healthy organic growth, is worthy of emphasis. Along a positive line, Prosegur Cash showed a slight increase in turnover of 0.7%. In this case, the organic growth of 7.0% and inorganic growth of 0.2% offset the negative effect of the exchange rate of 6.4%. In the alarm activity, our joint venture Movistar Prosegur Alarmas recorded a very significant increase in its total connection base, exceeding 350,000. This makes MPA the company with the highest growth in Spain. In the rest of the Prosegur Alarms markets, the decrease in the attrition rate after recording an increase the year before is worthy of mention.

In relation to new business lines, Prosegur AVOS has shown a favourable trend, maintaining double-digit growth in line with what is set out in the strategic plan. Cipher, our cybersecurity unit, has maintained stable growth in relation to the year before.

However, and as the President mentions in her letter, the year that is now ending has a much more profound scope than merely reporting financial figures. The launch of our new strategic plan, the transformation and innovation initiatives, as well as all actions addressed in our Master Sustainability Plan reveal a dynamic, solvent company that is committed to its environment and, in short, one that is loaded with the future.

This is why I am certain that we may count on your trust and that you will join us during this exciting time for Prosegur.

Thank you very much.

1

Who we are,
what we do



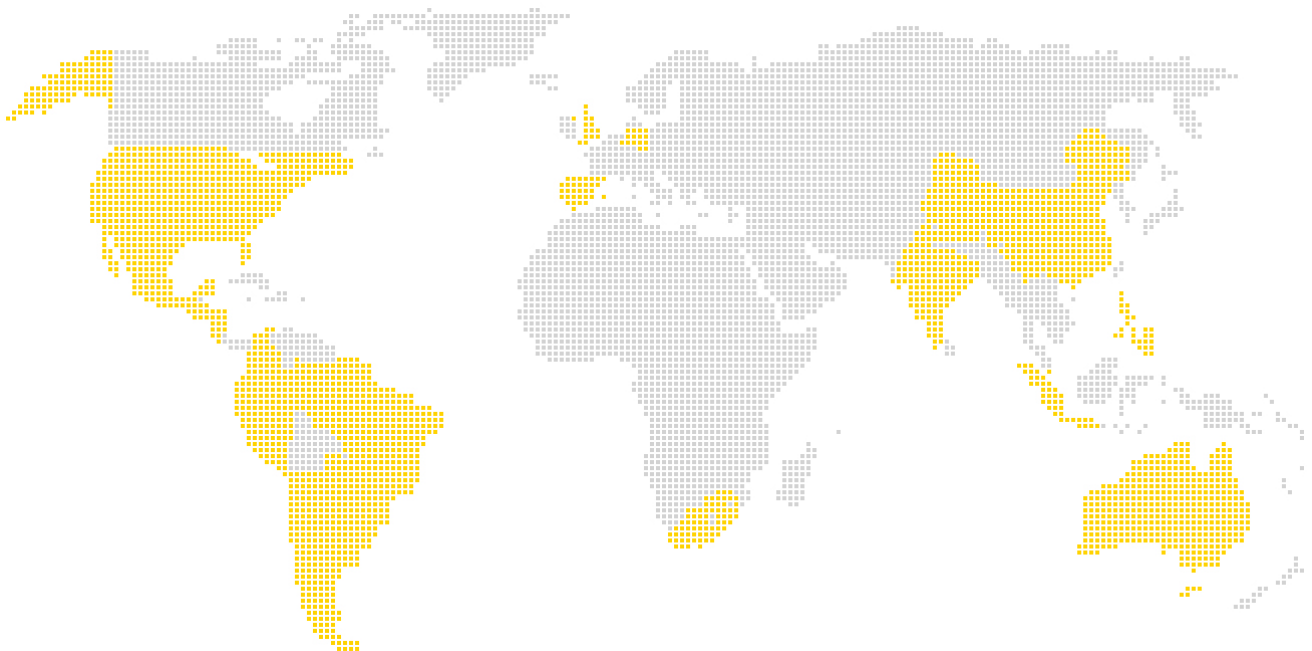
1. WHO WE ARE, WHAT WE DO

'Authentic learning consists of understanding who you are, what your true identity is', Deepak Chopra, India, doctor and thinker.

Prosegur is a global security services company that has been at the forefront of innovation in its sector for 45 years.

Present in 26 countries and on five continents, we offer our clients high value-added solutions with a strong technological component. We currently have five lines of business: Prosegur Security, Cipher, Prosegur Alarms, Prosegur AVOS and Prosegur Cash.

Today, Prosegur carries out business activities through some of its business lines in the following countries, listed in alphabetical order: Germany, Argentina, Australia, Brazil, Chile, China, Colombia, Costa Rica, Ecuador, El Salvador, Spain, the United States, the Philippines, Guatemala, Honduras, India, Indonesia, Mexico, Nicaragua, Paraguay, Peru, Portugal, Singapore, South Africa, UK and Uruguay.



Present in 26 countries and on five continents, we offer our clients high value-added solutions with a strong technological component.

1.1. VALUES

*'Ethics is nothing more than the rational attempt to find out how to live better',
Fernando Savater, Spain, philosopher.*

At Prosegur, we are very clear about what we do and why we do it. To make the world a safer place by taking care of people and companies, staying at the forefront of innovation is our main goal.

If there is one lesson that can be drawn from the turbulent year that was 2021, it is the importance of safeguarding the security and wellbeing of those around us, two aspects of our lives that we value most highly when they come under threat.

This represents the core value of our corporate culture and the guiding commitment that permeates our business activity as a whole. To this end, we contribute our experience, knowledge and proactivity to create ever more secure environments, protect assets, and in some cases, to even save lives.

Security is a team sport

Our most important asset is a workforce of approximately 150,000 professionals. A highly motivated and specialised team committed to our values and equipped with a wide range of innovative and constantly evolving technological resources.

In all humility, we regard our employees as everyday heroes and pioneers, people who are willing to take risks for the benefit of others, and conscious of the fact that the essential task of protection must be carried out sensibly, creatively and intelligently. For us, an ethical, responsible and efficient management of our human capital is a fundamental guarantee of the capacity for growth and long-term sustainability of our activities.

Empathetic surveillance, intelligent protection

At Prosegur, we associate security with foresight and forward planning. In short, our capacity to be fully prepared to deal with any circumstance that may arise. Ours is a culture centred on caring and empathetic surveillance, based on understanding and respect. Foresight, careful consideration, prudence and continuous learning are among the pillars on which our day-to-day activity is based.

This also enables us to understand and respond to the requirements of our clients with a flexible approach. We never say that something cannot be done without suggesting an alternative. One of our corporate maxims is to keep our feet on the ground and our eyes wide open, never losing sight of the fact that there is always a better, safer and more efficient way to meet the challenges we face in any given situation.

Innovation for a better future




We are a growing company in an accelerated process of modernisation and digitisation. In 45 years of wide-ranging experience in the private security sector, since the company was founded in 1976, Prosegur has consolidated an increasingly ambitious and rigorous concept of comprehensive protection.

We believe that protection in today's world means providing maximum possible peace of mind in the physical and digital environments of our clients, the members of our teams, and the general public. New technologies such as Artificial Intelligence (AI), Data Science, Internet of Things, 3D Printing, Robotics and Extended Reality will allow us to apply our concept of 'Innovative Security' to both the physical and digital worlds. This also implies an active and concrete commitment to the societies in which we operate, and to the preservation and future of the planet as a whole.

Responsible leadership

2020 saw the presentation of a new corporate identity, which we went on to implement, develop and consolidate throughout 2021. This identity sets out our commitment to comprehensive protection and our intention to remain a pioneering and groundbreaking company open to continuous innovation.

Our new corporate purpose was defined as follows: '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 are important to us</p> <p>We protect society through foresight, prevention and collaboration.</p>	<p>2. We think positively</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, last spring saw the adoption of a Sustainability Master Plan approved by our Board of Directors. It outlines the guiding principles that shape the company's commitment to the environment.

The document is based on an unwavering commitment to the 17 Sustainable Development Goals (SDGs) launched in 2015 by the United Nations, which have become an integral part of 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.

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 January 2021, the annual report of the independent evaluation company MERCO certified that Prosegur had become one of the one hundred most responsible companies with the best corporate governance in Spain. Months later, in November, Prosegur and Prosegur Cash received a further accolade when they became the first companies to be awarded the AENOR Good Corporate Governance certification.

Ethical commitments and new partnerships

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

In February, both the parent company and Prosegur Cash signed up to the environmental Climate Pledge initiative. 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, Prosegur 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.

Since last spring, Prosegur has had a Sustainability Master Plan approved by its Board of Directors.

1.2. BUSINESS ENVIRONMENT

'No medicine cures what happiness cannot', Gabriel García Márquez, Colombia, writer

The last year has been characterised by the persistence of the global health crisis that was generated in January 2020, with the first mass infections of COVID-19. Two years later, the severity and magnitude of this pandemic continue to pose an unprecedented social, economic and humanitarian challenge.

In 2021, we witnessed the succession of different strains of the virus and waves of contagion, although with a general trend of sustained improvement in the health situation compared to the worst moments of the previous year.

This sequence of peaks and troughs maintained uncertainty and hindered sustained economic recovery, but in no way has it changed our priority precisely in times of pandemic: to guarantee security services that improve efficiency and minimise risks to contribute to the recovery of activity and social well-being. In an unprecedented health context, we have taken special care to protect our staff and clients in face-to-face operations and to offer alternatives whenever possible.

In an unprecedented health context, we have taken special care to protect our staff and our clients.

1.3. BUSINESS LINES

'Those who come together for a purpose discover sooner or later that they can do much more if they stick together', Thomas Carlyle, UK, philosopher and historian.

The Prosegur tree consists of five branches, all committed to a common will of guaranteeing the security of people and companies from openness to continuous innovation. These are and this is what, today, is being done in our different business lines:



PROSEGUR SECURITY

Prosegur Security ofrece soluciones de seguridad física y electrónica integrales y de alto valor añadido. Protege la integridad de personas y empresas los 365 días del año y las 24 horas del día mediante la aplicación de soluciones 360 que aúnan tecnología y eficiencia, poniendo herramientas de ultimísima generación en manos de grandes profesionales.



CIPHER

Cipher is the Prosegur's cybersecurity unit, dedicated to ensuring comprehensive protection of our clients' businesses in digital environments. This includes the application of cutting-edge solutions in terms of prevention, risk detection, managed response and the provision of cyber-intelligence services.



PROSEGUR ALARMS

Prosegur Alarms is our residential and business alarms unit. It provides a wide variety of high-quality services tailored to the specific protection requirements of each individual client.



PROSEGUR AVOS

Prosegur AVOS is the leading provider of specialised solutions in outsourcing of business processes for the financial and insurance sector. The perfect partner when implementing digital transformation processes, Prosegur Avos helps clients to redesign, automate and outsource their operations with cutting-edge technology.



PROSEGUR CASH

Prosegur Cash is the listed subsidiary with a leading position at world-wide level in cash-in-transit and cash management. Its activity focuses on transporting high value merchandise, integrated cash cycle management, solutions aimed at automating payments in retail establishments and financial institutions and overall ATM management.

1.4. STRATEGIC PERFORMANCE

'In a world that is changing really quickly, the only strategy that is guaranteed to fail is not taking risks.' Mark Zuckerberg, United States, entrepreneur and digital guru.

At Prosegur, 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 in the private security market. A springboard for changing the world.

Perform & Transform are the two key concepts driving the company'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 reinforcing 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 aimed at improving current services and the creation of new proposals.
- 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.

Perform & Transform are the two key concepts that inspire our commitment to the immediate future, as explained in our Strategic Plan.

1.4.1. Creativity as a lever for growth

On a purely quantitative level, we expect annual revenue growth in the range of 5% to 6% in our business sector. In this context, we expect to reach a turnover of between EUR 6,200 and 6,700 million by 2030.

Before then, we expect that further consolidation of our business plan will enable us to exceed our pre-crisis EBITA profitability in 2023, and our debt to return to its historical level of leverage as soon as the situation stabilises. The achievement of this set of objectives requires increasing diversification of sales, both geographically and by business unit.

In terms of quality, our roadmap focuses on the deployment of an increasingly comprehensive and refined technology infrastructure that will

underpin our operations and make the company more profitable and better able to offer differentiated solutions to our clients. Essentially, we are working to develop the solutions and services that will be the key to our future.

Our expectations are to reach a turnover of between EUR 6,200 and 6,700 million by 2030.

1.4.2. Firmness in directives, flexibility in teams

Of course, this new strategic design also involves a far-reaching internal reorganisation, which was approved by the Board of Directors last July. This new organisation will enable us to consolidate our digital and technological transformation initiatives, and to accelerate growth in Prosegur Security, Prosegur Alarms, Prosegur AVOS and Cipher. We will therefore continue to foster the development of new technology-based products and solutions to diversify our revenue sources in the coming years.

At the same time, we seek to generate a dynamic of standardisation and continuous improvement of processes that will drive efficiencies and promote greater flexibility to operate in the current context. For its part, Prosegur Cash will also benefit from this new organisational model, which will allow it to accelerate its transformation projects and increase the penetration of its new solutions, as defined in our Strategic Plan.

1.4.3. A world of opportunities

All these measures have been adopted with a view to further propelling Prosegur's business along the same guiding path of efficiency, flexibility and operational scalability. In 2023, we forecast that our new products will already account for 35% of our total income, and will have surpassed the turnover of traditional products by 2030.

In terms of geographic distribution of sales, the USA is the market where the most significant upward trend is expected. The United States currently accounts for 4% of Prosegur's revenue, but it is estimated that this figure could reach 12% by the end of 2030.

We also value very positively our capacity to continue adding inorganic growth. In the period covered by the Strategic Plan, we expect to complete operations that will add around EUR 300 million to turnover.

We anticipate that before the end of 2023 our new products will already account for 35% of our total revenue.

1.4.4. The business units set out the strategy

Each of our business units has designed specific growth strategies, based on the Perform & Transform principles

- The promising outlook for Prosegur Security is largely explained by the efficiency and high added value of our services based on Security Operations Centres (SOC). These integral security and remote video-surveillance centres provide optimal provision for the needs of a widening range of clients, and are a perfect example of the transformative impact of technology on our business models. Also noteworthy is the increasing demand for our Business Continuity services and the high-value services offered by Global Risk Advisory.
- At the same time, our organic and inorganic expansion in the USA will enable us to consolidate our position in a highly profitable market with excellent opportunities for growth.
- As regards Cipher, the cybersecurity unit has recorded very strong growth rates in the last financial year, and expects further consolidation by following a flexible strategy of commercial synergies with the Security unit.
- Prosegur Alarms has achieved further consolidation and growth through a network of partnerships, with the Spanish market as its testing ground. It continues to build on its reputation as an innovative and dynamic business unit, with the development of new smart alarm services made possible by the development of its own algorithm for video analysis, the DIY surveillance product line, and the Prosegur Hawk Eye system.

- We also expect excellent results from Prosegur AVOS, due to the development of its front office and back office solutions, and the Prosegur AVOS Tech line. All of which are designed to support the most dynamic and innovative companies in their digital transformation processes.
- 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 Cash Today, as well as our correspondent banking services and our ATM network.

We anticipate that the upward consolidation of our business plan will allow us to exceed the profitability in terms of EBITA of before the health crisis by 2023.

1.5. INNOVATION AND DIGITAL TRANSFORMATION

'To create, you have to be aware that you are part of a tradition. But the only way to preserve traditions is to create something new', Carlos Fuentes, Mexico, writer.

At Prosegur, we believe 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.

Our company 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 importance of the fact that the EIB (European Investment Bank) has granted us a loan of EUR 57.5 million to finance innovation, digitisation and sustainability projects up to 2023. This not only represents a substantial financial boost, but also a symbolic endorsement of the confidence shown in our transformation plan by a leading financial institution. The projects that will receive this financial backing are part of the Innovation and Digital Transformation Plan, which aims to optimise flexibility, processes and operational efficiency. They also focus on energy efficiency and emissions reduction to meet our Sustainability Master Plan.

The EIB (European Investment Bank) has granted us a loan of EUR 57.5 million to finance innovation, digitisation and sustainability projects up to 2023.

1.5.1. Thus do we innovate

Private security is currently at an exciting technological crossroads. 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.

This new model has served not only to bring potentially transformative ideas to reality, but also as a response to the difficulties imposed by the pandemic on face-to-face working models. Despite the impact of the health crisis, we can say that innovation has continued to grow at Prosegur over the past year in both qualitative and quantitative terms.

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.

With this in mind, Prosegur 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 we have 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.

Some of the main initiatives resulting from this effort are described below.

An intelligent, evolutionary platform

The new, continuously evolving intelligent GENZAI platform that Prosegur presented in 2020, has been recognised by the Spanish magazine *Actualidad Económica* as one of the hundred best ideas in 2021. This is an advanced image and video processing tool that makes it possible to implement the Security, Safety and Business Continuity activities.

The platform brings together detection, monitoring and analysis technology based on Big Data, AI and IoT to contribute to the creation of secure environments. As a result, it is possible to have centralised, speedy and efficient coordination and management of the cameras, sensors and other devices used in the space that is to be protected.

The tool is versatile and scalable, it can be adapted to the specific needs of each client and it is used both for surveillance and protection of public spaces and work environments (GENZAI-Security) and in private homes (GENZAI-Home).

Digitalisation of cash

Cash Today is the digitisation 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..

Intelligent alarms

In the home security field, we have created the first alarm on the market that used artificial intelligence for both residential clients and companies. This capacity enables it to analyse the habits of each individual user, learn patterns and on the basis of these, to improve the protection against oversights and carelessness. Spain has been the first market in which this new feature has been launched and will be extended to the rest of the markets in which our alarm business unit operates.

For example, if a user does not programme the alarm at a certain time and day when they usually do so, they will receive a suggestion from the system for them to consider the possibility of doing so. In fact, the features of the service and the development of the algorithms are also fed with information on the users and their proposals.

Safe surfing at home

As part of our agreement with Telefónica, the joint venture Movistar Prosegur Alarmas has also launched a service, called Digital Security, which protects surfing using the home WiFi system from threats such as malware or fraud. The fact of these becoming more frequent is explained by the increase in digital activity in homes and a level of protection which is generally less thorough than in the corporate environment. Digital Security has been designed precisely to eliminate that vulnerability and prevent it from being exploited by cybercrime.

It is a service developed by our company and conceived for users of Movistar WiFi networks, it requires no installation and both access and management are centralised in a mobile app. It also protects mobile phones, tablets and PCs, even if they use networks other than Movistar. In that case, it includes five free antivirus licences for protecting personal data. From the App the user can control the security system. It displays the devices connected to the Wi-Fi network both from inside and outside the home and makes it possible to disconnect any which are considered to be intruders and, in the case of a threat, they are automatically blocked to avoid risks and safeguard the users' privacy.

1.5.1.2. Initiatives of collaboration and open innovation

Canvassing and cooperation with start-ups

Within the framework of firmly counting on collaborative solutions, in 2020 Prosegur launched the first edition of COME IN, its Open Innovation program, which is a groundbreaking initiative in our sector seeking to respond to future security challenges. With this, our company 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. Prosegur already works with fifteen or so 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.

Prosegur Tech Ventures

As a complement to this open innovation program, Prosegur is the only private security company 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.

Prosegur 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. Thus do we transform

At Prosegur, 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 in order to raise levels of satisfaction with our services.
- Streamlining our financial management and control of such crucial aspects such as Opex, Capex, working capital and revenue guarantees.

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

We plan to invest significant resources in digitalisation and the renewal of our operating model. The Plan started in Portugal and in 2023 will cover a set of territories that account for two thirds of our income.

Technological solutions in alliance with Microsoft

During 2021, our company and the technology multi-national reached a strategic collaboration agreement. The alliance accelerates the digitalisation programs we have been developing at Prosegur since 2018 in order to optimise operations and boost flexibility, connectivity and process automation. Such close cooperation is making it possible for us to strengthen our security and cybersecurity, to coordinate them optimally with physical surveillance capacities and to generate the foundation for a new intellectual property which it is hoped will increase our differential value.

It also strengthens the physical security services which we provide to Microsoft and consolidates one of the pillars of our digital evolution: the cultural transformation of our whole workforce by way of new technological skills training programs. For example, in artificial intelligence systems.

Centralised management on a new platform

As a result of the new international expansion policy of our company, over the years we had created an extremely heterogeneous and broadly distributed server infrastructure. In 2021, we took the step to combine the administration of all of these environments from a single control panel as a result of the Microsoft Azure Arc platform. This has meant significant savings in time, effort and costs and has also, at the same time strengthened the security and scalability of our administration system.

Prosegur currently has a collection of 3,500 Windows and 1,500 Linux servers distributed over the 26 countries where we operate, with particular concentrations in Germany, Argentina, Australia, Brazil, Spain and the United States and we also execute workloads on Google Cloud, Amazon Web Services and Microsoft Azure. To date, we have already moved 1,500 of these

servers over to the Microsoft software solution and it is foreseen that we will have transferred 95% of the total during the first quarter of 2022. As a result, we now enjoy a centralised administration system which is compatible with all of the tools we are using and which is perfect for reducing errors and saving time.

We have moved 1,500 of our servers to Microsoft's Azure Arc centralised management platform. The plan is to have moved up to 95% of all during the first quarter of 2022.

Business solutions integrated into the Cloud

Integration of our global structure using the Dynamics 365 for Sales platform is another innovation project we are sharing with Microsoft. Developed by the technological multi-national and complete with artificial intelligence, it allows us to share client service tools in all markets and identify the best of local practices in order to replicate them in other countries. It can be accessed from the public Cloud and projects a 360-degree view which avoids compartmentalisation of information, applications and processes.

As a result of its capacity to integrate systems and data sources, the tool broadens our strategic knowledge country by country. It helps us to give more personalised attention to each client and identify the commercial practices which perform best, take better advantage of business opportunities and unify all of the company's data in a single shared-access database.

In the same way, standardisation and automation of processes not only increase productivity, but also free up our employees from the more tedious tasks allowing them to concentrate on those which generate more value, such as improving business intelligence capacities.

Digital contract signing

Another of the novelties to come out of developing our transformation programme in 2021 is that more than 90 % of new contracts are signed digitally using a manager to unify them. This process improves transparency and eliminates any possible errors when processing manually, in addition to guaranteeing that no contracts are signed without the unit specialised in money laundering previously checking the client. It also strengthens the validation and approval processes between departments in order to guarantee compliance with regulations in operations with clients.

2

Financial and investment performance



2. FINANCIAL AND INVESTMENT

2.1. NET FINANCE PROFIT/(LOSS)

2.1.1. 2021 Economic and financial results

Millions of Euros	2020	2021	Variation
Sales	3,570.4	3,498.1	-2.0%
EBITDA	821.7	385.9	-53.0%
	<i>Margin</i>	23.0%	11.0%
Depreciation and amortisation*	(158.0)	(163.2)	
EBITA	663.7	222.7	-66.5%
	<i>Margin</i>	18.6%	6.4%
Amortisation and impairment of intangible assets	(52.5)	(30.6)	
Goodwill impairment	(61.8)	(18.1)	
EBIT	549.4	174.0	-68.3%
	<i>Margin</i>	15.4%	5.0%
Financial profit/(loss)	(65.7)	(35.0)	
Profit/(loss) before tax	483.7	139.0	-71.3%
	<i>Margin</i>	13.5%	4.0%
Taxes	(148.9)	(95.3)	
	<i>Tax rate</i>	(30.8%)	(68.5%)
Net result	334.9	43.7	-86.9%
Non-controlling interests	3.6	2.7	
Consolidated net profit/(loss)	331.3	41.0	-87.6%
Basic profit per share	0.6	0.1	

*Includes amortisation of property, plant and equipment, rights of use, real estate investments and amortisation and impairment of computer software.

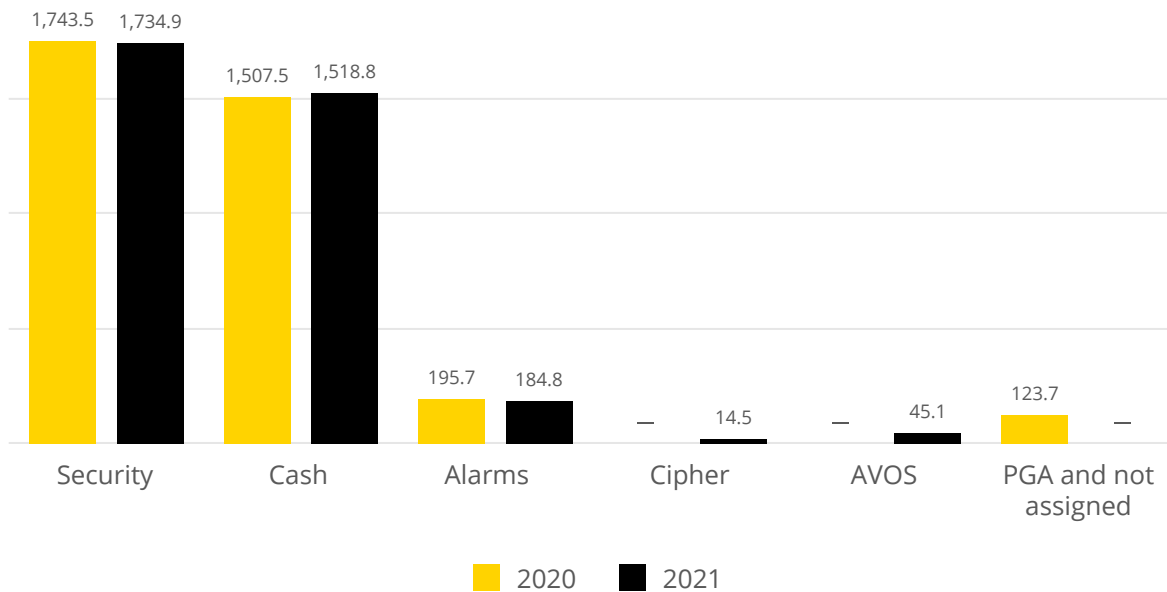
2.1.1.1. Sales by business lines

In the 2021 financial year, our consolidated sales were EUR 3,498.1 million (2020: EUR 3,570.4 million), which is a decrease of 2%. This decrease in sales was caused by an inorganic decrease of 2.7% —mainly as a result of the sale of operations in France, Mexico and the Alarms business in Spain in 2020— and a negative exchange rate effect of 4.7%. These two factors

offset the organic growth of 5.4% experienced during the period.

Consolidated sales are distributed by business as follows:

Sales by business lines (in millions of EUR)



Aggregated consolidated sales are distributed by business area as follows:

Millions of Euros	2020	2021	Variation
Security	1,743.5	1,734.9	-0.5%
<i>Total %</i>	<i>48.8%</i>	<i>49.6%</i>	
Cash	1,507.5	1,518.8	0.7%
<i>Total %</i>	<i>42.2%</i>	<i>43.4%</i>	
Alarms	195.7	184.8	-5.5%
<i>Total %</i>	<i>5.5%</i>	<i>5.3%</i>	
Cipher	—	14.5	
<i>Total %</i>	<i>— %</i>	<i>0.4%</i>	
AVOS	—	45.1	
<i>Total %</i>	<i>— %</i>	<i>1.3%</i>	
PGA and unassigned	123.7	—	-100.0%
<i>Total %</i>	<i>3.5%</i>	<i>— %</i>	
	3,570.4	3,498.1	-2.0%

The decrease in business turnover in 2021 compared to 2020 has been of 2.0%.

Our Security business, which brings together the Surveillance and Technology activities, also continued to suffer the effects of the pandemic with a drop in activity, but to a lesser extent due

to the specific needs of customer services and the maintenance of certain levels of security, which led to a slight fall in the sales figure of 0.5%.

Regarding the Cash business, sales also remained at a level very similar to that of 2020, with a slight increase of 0.7%. This increase is due to the organic growth of 7.0% and inorganic growth of 0.2% recorded in the year, which offset the negative effect of the exchange rate of 6.4%.

Finally, our Alarms business also saw its turnover reduced, mainly as a result of the sale of 50% of the Alarms business in Spain in February 2020.

Trend in consolidated Prosegur turnover over the past five years is reflected in the following table:

Millions of Euros	2017	2018	2019	2020	2021
Turnover	4,290.7	3,939.2	4,198.2	3,570.4	3,498.1

2.1.1.2. Changes to the Group's structure

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

- Cash business combinations in LatAm: In 2021, Prosegur 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.
- Cash business combinations in Europe: In 2021, Prosegur 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.
- Security Business combinations in ROW: Prosegur has acquired a series of assets in ROW related to the provision of security services through the integration of surveillance, electronics, patrolling and investigation services. The total purchase price was EUR 3,571 thousand, comprising a cash payment of EUR 2,780 thousand, and a deferred contingent consideration totalling EUR 791 thousand maturing in 2022, 2023 and 2024.
- AVOS business combinations in LatAm: In LatAm, Prosegur acquired a series of companies that give business process outsourcing services to improve operational management through redesign, automation and digital transformation of clients. The total purchase price was EUR 10,097 thousand, comprising a cash payment of EUR 2,324 thousand, and a deferred contingent consideration totalling EUR 7,773 thousand maturing in 2022, 2023 and 2024.

The following companies were incorporated or wound up in 2021:

- In January 2021, Garantís Sumarmas, S.L. was wound up in Spain.
- In May 2021, Prosegur Alarm Hizmetleri Anonim Şirketi was wound up in Turkey.
- In June 2021 Beagle Technical (Pty) Ltd. was wound up in South Africa.
- In August 2021, Dinero Gelt SAS was incorporated in Colombia
- In September 2021 Prosegur Global Risk Services LLC was incorporated in the United States.
- In November 2021, Prosegur Avos Portugal Unipessoal Ltda was wound up in Portugal.
- In November 2021, Evolium Group, S.L.U. was wound up in Spain.
- In December 2021, Prosegur Exchange Pty Limited was incorporated in Australia.
- In December 2021, Roytronic S.A. and Coral Melody S.A were wound up in Uruguay.
- In December 2021, Coral Melody S.A. was wound up in Uruguay.

Furthermore, the following mergers took place between subsidiaries in 2021:

- In June 2021, the takeover merger of Servicios Auxiliares Petroleros, S.A., by Prosegur Gestión de Activos ARG, S.A., was formalised in Argentina, with effect on 1 January 2021.

- In August 2021, in Brazil the takeover merger of Segurpro Sistemas de Segurança Ltda. and Prosegur Administração de Recebíveis Ltda by Segurpro Tecnologia em Sistemas de Segurança Eletrônica e Incendios Ltda. was formalised.
- In December 2021, the takeover merger of Compliofficer S.L.U and Work 4 Data Lab S.L.U., was formalised by Risk Management Solutions S.L.U, with effect on 1 January 2021.

Sale of 100% of Prosegur Soluciones S.A. to Movistar Prosegur Alarmas S.L.

On 30 July 2021 Prosegur sold 100% of the company Prosegur Soluciones S.A. to Movistar Prosegur Alarmas España, a company in which Prosegur has a 50% holding. Prosegur Soluciones S.A. is mainly engaged in marketing the services of Movistar Prosegur Alarmas España and managing the closing of the corresponding contract with end clients of Movistar Prosegur Alarmas España on behalf of the latter, through the Door to Door channel under the marketing contract signed between both parties.

The total purchase price was set at EUR 19,510 thousand and was calculated as the sum of the amount of commissions due and not paid under the marketing contract signed between them up until 31 July 2021 plus the amount of the fees due and not paid under the Call Center service contract up until 31 July 2021 plus/minus the net financial debt as at 31 July 2021 less 50% of the value of the Items Payable of Prosegur Soluciones S.A. at 31 July 2021.

Purchase of Dinero Gelt México SA de C.V. and Costumbres del Sur, S.A.

Furthermore, in April 2021, the inactive company Dinero Gelt, México, S.A. de CV was acquired in Mexico, and in October 2021 the inactive company Costumbres del Sur, S.A. was acquired in Uruguay.

2.1.1.3. EBITA Margins per business

Consolidated operating profit (EBITA) before amortisation stands at EUR 222.7 million for 2021 (2020: EUR 663.7 million).

The EBITA margin is distributed by business as follows:

Millions of Euros	Cash		Security		Alarms		Cipher		AVOS		PGA and unassigned		Total	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Total sales	1,507.5	1,518.8	1,743.5	1,734.9	195.7	184.8	—	14.5	—	45.1	123.7	—	3,570.4	3,498.1
EBITA	185.1	204.9	68.3	45.3	17.3	20.4	—	(2.3)	—	2.9	393.1	(48.6)	663.7	222.7

The following table shows the EBITA trend seen over the past five years:

Millions of Euros	2017	2018	2019	2020	2021
EBITA	414.3	327.0	358.2	663.7	222.7
% margin on sales	9.7%	8.3%	8.5%	18.6%	6.4%

The ratio of the EBITA margin to consolidated sales was 6.4% in 2021. The fall in this indicator over 2020 is due to the fact that in this year, in the 'Other Income' item in the Income Statement, we recorded the sale of 50% of Prosegur's Alarms business in Spain (Note 2.2).

The information on the allocation of Prosegur assets to each of the segments and the reconciliation between the profit allocated to segments and the consolidated net profit is contained in Note 10 of the Consolidated Annual Accounts.

2.1.1.4. Investments

All our investments are always 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 the Board of Directors.

Amortisation and depreciation charges totalled EUR 152.7 million in 2021 (2020: EUR 147.1 million). Property plant and equipment and Property Investments accounts for EUR 100.1 million (2020: EUR 97.7 million) to computer software EUR 22.0 million (2020: EUR 18.4 million) and other intangible fixed assets EUR 30.6 million (2020: EUR 31.0 million).

The total investments analysed by the Investment Committee in 2021 with comparative figures from 2020 are detailed below:

Millions of Euros	2020	2021
First Quarter	21.1	31.9
Second Quarter	13.5	37.2
Third Quarter	26.3	20.8
Fourth Quarter	28.0	28.0
Total	88.9	117.8

EUR 96.6 million was invested in property, plant and equipment in 2021 (2020: EUR 114.0 million). Furthermore, we invested EUR 47.5 million in computer software (2020: EUR 29.2 million).

2.1.2. Liquidity and capital resources

At Prosegur, we continue formalising strategic financing transactions designed to optimise financial debt, control debt ratios and meet growth targets.

We calculate 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, minus equity instruments in listed companies (included under the non-current financial assets heading) and minus other current financial assets.

At 31 December 2021 net financial debt totals EUR 795.8 million (2020: EUR 728.6 million). The detail is part of the APMs in note 2.1.3 of the Directors' Report.

2.1.2.1. Liquidity

Prosegur 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 Prosegur has available liquidity of EUR 1,447.2 million (2020: EUR 1,457.1 million). This amount is compounded by:

- EUR 584.9 million of cash and cash equivalents (2020: EUR 767.0 million).
- The balance of other current financial assets in an amount of EUR 1.0 million (2020: EUR 150.0 million).
- EUR 557.5 million of non-current credit available, relating mainly to the drawable syndicated loan arranged on 10 February 2017 and the credit with the European Investment Bank granted on 27 October 2021 (2020: EUR 305.0 million).
- Other unused credit facilities for EUR 303.8 million (2020: EUR 235.1 million) diversified in a wide banking pool featuring the top banks from each

country where we operate.

This liquidity figure accounts for 41.37% of consolidated annual sales (2020: 40.81%), which ensures both the short-term financing needs and the growth strategy.

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

It is important to point out that, although part of the cash flow position at the close of 2021 is subject to certain regulatory conditions arising from Prosegur's geographical positioning, compliance with upcoming contractual obligations does not depend on distributions or payments from subsidiaries which are subject to insurmountable restrictions of a legal or regulatory nature. During the annual budget planning process, we designed a repatriation plan of dividends from subsidiaries, thus maximising the tax efficiency of the consolidated Group.

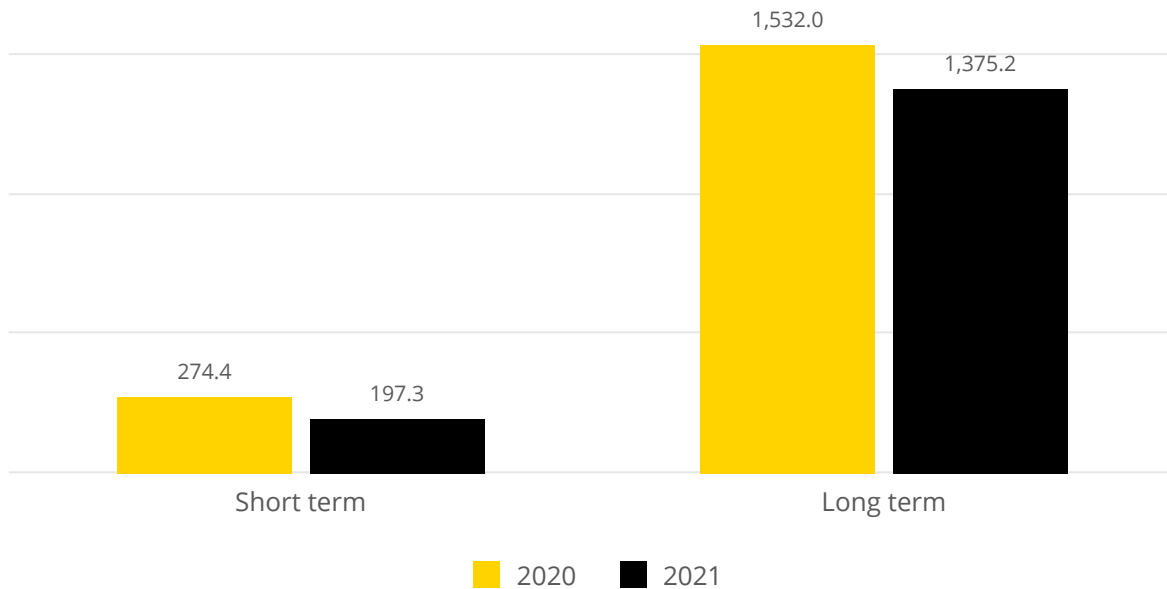
2.1.2.2. Capital resources

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

- On 8 February 2018, an issue of uncovered bonds with a nominal value of EUR 700 million, maturing on 8 February 2023, has been made. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.00% payable at the end of each year.

- On 4 December 2017 Prosegur, through its subsidiary Prosegur Cash, S.A., made an issue of uncovered bonds with a nominal value of EUR 600 million, maturing on 4 February 2026. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.38% payable at the end of each year.
 - On 10 February 2017, two syndicated financing loans were contracted in the amounts of EUR 200 million and EUR 300 million both for a five-year term; the latter was taken out, by the Prosegur subsidiary, Prosegur Cash. In February 2021, both maturities were extended again until February 2026. At 31 December 2021, no amount of these two credit facilities has been drawn down.
 - On 28 April 2017, through its subsidiary Prosegur Australia Investments Pty Limited, Prosegur arranged a syndicated financing facility for the amount of EUR 70 million Australian Dollars, maturing in 3 years. In April 2020, the operation was renewed with a maturity ranging from 2021 to 2023. The first maturity was in the first half of 2021 for AUD 10 million. The second and third maturities will come in 2022 and 2023 (10 million Australian dollars and 50 million Australian dollars, respectively). At 31 December 2021, the drawn down capital corresponding to the loan amounts to AUD 60 million (at 31 December 2021 equivalent to: EUR 38.43 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 2 June 2021, Prosegur, via its subsidiary in Peru Compañía de Seguridad Prosegur, S.A., arranged a credit financing facility for 300 million Peruvian sol for a five-year term. At 31 December 2021, the drawn down capital was PEN 270 million (at 31 December 2021 equivalent to: EUR 59.63 million).
 - On 27 October 2021, Prosegur Compañía de Seguridad contracted a financing operation with the European Investment Bank (EIB) with the aim of promoting investment in innovation, digital transformation and sustainability. The financing amounts to EUR 57,500 thousand with a flexible term of between 6 and 10 years as requested at the time of drawdown. At 31 December 2021, no amount of this credit had been drawn down.
- In consolidated terms, long term gross financial debt maturing over one year reached the amount of EUR 1,375.2 million at the end of 2021 (2020: EUR 1,532.0 million), mainly due to the bonds issued by Prosegur and Prosegur Cash.
- Short-term gross financial debt totals EUR 197.3 million (2020: EUR 274.4 million) mainly for bank borrowings and the availability of part of credit facilities.
- The current and non-current maturities of gross financial debt are distributed as follows:

Groups' gross financial debt (in millions of EUR)



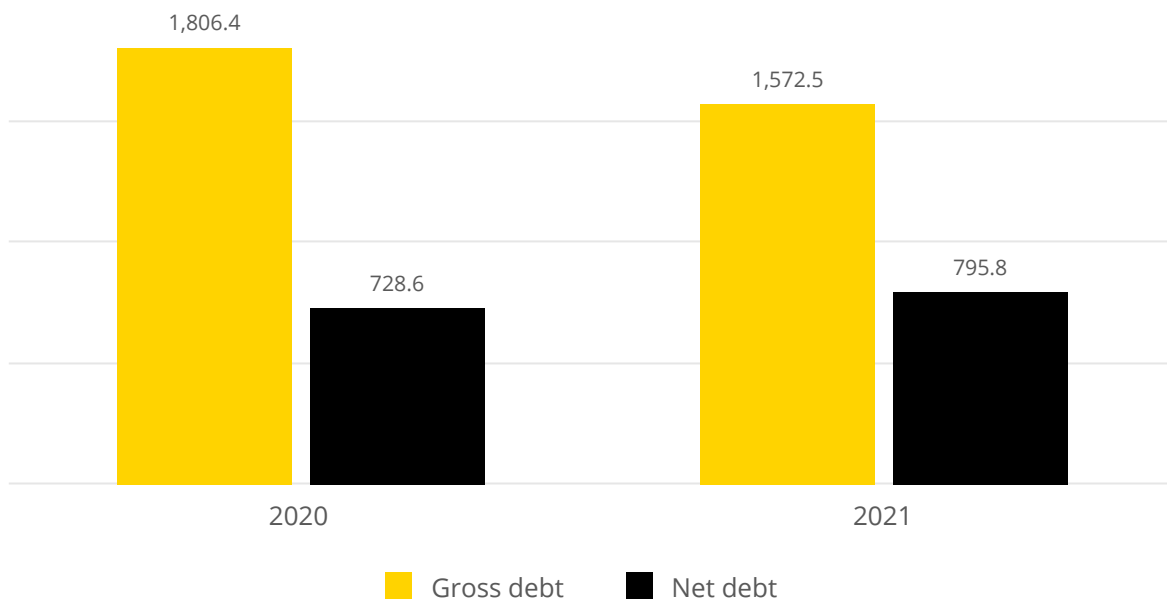
In 2021 financial debt had an average cost of 1.24% (2020: 1.12%), which means that it remains relatively stable compared to the 2020 financial year.

Net financial debt at the end of the 2021 financial year was EUR 795.8 million (2020: EUR 728.6

million) and went up mainly as a result of the cash outflows associated with the business combinations made during 2021, and to the own share buyback programme.

We make a comparison of gross debt and net debt from 2020 and 2021 in this table:

Evolution of Groups' financial debt (in millions of EUR)



We do not expect significant changes in 2022 in regard to the structure of own funds and capital or in regard to the relative cost of capital resources in relation to the financial year ended 31 December 2021.

The following table shows the maturities of the debt set out according to contractual cash flows at 31 December 2021:

Millions of Euros	Less than 1 year	1 to 5 years	More than 5 years	TOTAL
Debentures and other securities	15.3	1,340.0	—	1,355.3
Bank borrowings	186.0	88.5	—	274.4
Credit accounts	4.3	—	—	4.3
Other payables	56.4	73.3	5.3	134.9
Finance lease liabilities	35.2	78.6	24.3	138.2
Suppliers and other payables	630.0	—	—	630.0
	927.1	1,580.4	29.6	2,537.1

Future lease payment commitments amount to EUR 5.6 million (2020: EUR 4.7 million) which mainly pertain to the contract of the office building in Madrid (Spain), operational bases located in Brazil, other business buildings and operational vehicles (Note 29).

At Prosegur, we calculate the leverage ratio as the quotient resulting from the net financial debt (including equity instruments in quoted institutions and liabilities due to current and non-current leaseholds) and total capital, the latter understood as the sum of the net financial

debt and net equity. The ratio at 31 December 2021 is of 55.82% (2020: 53.35%).

The net financial debt ratio (including equity instruments in listed entities and current and non-current lease liabilities) over own resources as of 31 December 2021 stood at 1.26 (2020: 1.14).

The net financial debt ratio (including equity instruments in listed entities and current and non-current lease liabilities) over EBITDA stood at 2.33 in 2021 (2020: 1.0).

2.1.2.3. Analysis of contractual obligations and off balance sheet transactions

Note 29 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 28 of the Consolidated Annual Accounts, Prosegur issues third party guarantees of a commercial and financial nature. The total amount of guarantees issued at 31 December 2021 amounts to EUR 426.0 million (2020: EUR 522.1 million).

2.1.3. Alternative Performance Measures

In order to comply with ESMA Guidelines on APMs, we present this additional information to aid the comparability, reliability and understanding of our financial information.

We present our profit/(loss) in accordance with International Financial Reporting Standards (IFRS). 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. We provide those APMs it deems appropriate and useful for users to make decisions and those we believe represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
Working capital	This is a finance measure that represents the operating liquidity available for the Company. Working capital is calculated as current assets less current liabilities plus deferred tax assets less deferred tax liabilities less non-current provisions.	Positive working capital is necessary to ensure that the Company can continue its operations and has sufficient funds to cover matured short-term debt as well as upcoming operating expenses. Working capital management consists of the management of inventories, payables and receivables and cash.
Capex	Capex (Capital Expenditure), is the expense that a company incurs in capital goods and that creates benefits for the company, whether through the acquisition of new fixed assets or by means of an increase in the value of fixed assets already in existence. Capex includes additions of property, plant and equipment as well as additions of computer software of the intangible assets.	Capex is an important indicator of the life cycle of a company at any given time. When the company grows rapidly, the Capex will be greater than fixed asset depreciations, which means that the value of the capital goods is increasing rapidly. On the other hand, when the Capex is similar to the depreciations or even less, it is a clear sign that the company is decapitalising and may be a symptom of its clear decline.
EBIT margin	The EBIT margin is calculated by dividing the operating profit/(loss) of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained of the total revenue accrued.
Organic Growth	Organic growth is calculated as an increase or decrease of income between two periods adjusted by acquisitions and disinvestments and the exchange rate effect.	Organic growth provides the comparison between years of the growth of the revenue excluding the currency effect.
Inorganic Growth	The Company calculates inorganic growth for a period as the sum of the revenue of the companies acquired. The income from these companies is considered inorganic for 12 months following their acquisition date.	Inorganic growth provides the growth experienced by the company through new acquisitions or divestments
Exchange rate effect	The Company calculates the exchange rate effect as the difference between the revenue for the current year less the revenue for the current year using the exchange rate of the previous year.	The exchange rate effect provides the impact of currencies on the revenue of the company.
Cash flow translation rate	The Company calculates the cash translation rate as the difference between EBITDA less the Capex on EBITDA.	The cash flow conversion rate provides the cash generation of the Company.

Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other payables corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies, minus equity instruments in listed companies (included under the non-current financial assets heading) and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.
EBITA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, taxes on earnings, financial income or costs, or depreciations of Goodwill, or impairment of intangible assets or the amortisation of intangible assets, but including amortisation and 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 consolidated profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill but including impairment of property, plant and equipment.	The purpose of the EBITDA is to obtain a fair view of what the company is earning or losing in the business itself. The EBITDA excludes variables not related to cash that may vary significantly from one company to another depending upon the accounting policies applied. Amortisation is a non-monetary variable and thereof of limited interest for investors.

The reconciliation of Alternative Performance Measures is as follows:

Working capital (in millions of Euros)	31/12/2020	31/12/2021
Inventories	46.5	65.4
Clients and other receivables	675.7	733.2
Current tax assets	105.7	80.5
Cash and cash equivalents	767.0	585.0
Other current financial assets	150.0	1.0
Deferred tax asset	99.2	106.9
Suppliers and other payables	(714.9)	(814.7)
Current tax liabilities	(168.1)	(162.5)
Non-current financial liabilities	(325.3)	(246.7)
Other current liabilities	(30.7)	(41.6)
Deferred tax liabilities	(66.8)	(77.3)
Provisions	(191.5)	(202.3)
Total Working Capital	346.9	26.9

CAPEX (in millions of Euros)	31/12/2020	31/12/2021
Land and buildings (without decommissioning costs)	0.9	5.5
Technical installations and machinery	20.5	17.6
Costs of Obtaining	4.2	4.5
Other installations and furniture	30.3	24.7
Armoured vehicles and other property, plant and equipment	20.0	14.6
Advances and work in progress	38.1	29.7
Additions of property, plant and equipment	114.0	96.6
Additions of computer software	30.4	47.5
Adjusted CAPEX	144.4	144.1
Total CAPEX	144.4	144.1

EBIT margin (in millions of Euros)	31/12/2020	31/12/2021
EBIT	549.4	174.0
Revenue	3,570.4	3,498.1
EBIT margin	15.4%	5.0%

Organic Growth (in millions of Euros)	31/12/2020	31/12/2021
Revenue current year	3,570.4	3,498.1
Less: revenue previous year	4,198.2	3,570.4
Less: Inorganic Growth	(73.2)	(96.8)
Exchange rate effect	(536.8)	(167.3)
Total Organic Growth	(17.8)	191.8

Inorganic Growth (in millions of Euros)	31/12/2020	31/12/2021
Cash LatAm	61.2	41.2
Cash Europe	5.9	—
Cash ROW	8.3	3.2
ROW Security and Cybersecurity	30.9	1.5
Alarms LatAm	4.3	—
Disinvestments	(183.8)	(142.7)
Total Inorganic Growth	(73.2)	(96.8)

Exchange Rate Effect (in millions of Euros)	31/12/2020	31/12/2021
Revenue current year	3,570.4	3,498.1
Less: Revenue from the year underway at the exchange rate of the previous year	4,107.2	3,665.4
Exchange rate effect	(536.7)	(167.3)

Cash Flow Translation Rate (in millions of Euro)	31/12/2020	31/12/2021
EBITDA	821.7	385.9
CAPEX	144.4	144.1
Translation Rate (EBITDA - CAPEX / EBITDA)	82 %	63 %

Net financial debt (In millions of Euros)	31/12/2020	31/12/2021
Financial liabilities	1,910.0	1,680.0
Plus: Finance lease liabilities	92.6	102.1
Adjusted financial liabilities (A)	2,002.6	1,782.1
Cash and cash equivalents	(767.0)	(585.0)
Less: adjusted cash and cash equivalents (B)	(767.0)	(585.0)
Less: Other current financial assets (C)	(150.0)	(1.0)
Total Net Financial Debt (A+B+C)	1,085.5	1,196.2
Less: other non-bank borrowings (D)	(103.6)	(107.6)
Less: Finance lease liabilities (E)	(92.5)	(102.1)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A and financial debt from lease payments) (A+B+C+D+E)	889.4	986.6
Minus: equity instruments of listed companies (F)	(160.8)	(190.7)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments, financial debt from lease payments and including the value of equity instruments of listed companies) (A+B+C+D+E+F)	728.6	795.8
EBITA (in millions of Euros)	31/12/2020	31/12/2021
Consolidated profit/(loss) for the year	331.3	41.0
Non-controlling interests	3.6	2.7
Income taxes	148.9	95.3
Net financial expenses	65.7	35.0
Depreciation and amortisation	114.3	48.7
EBITA	663.7	222.7
EBITDA (in millions of Euros)	31/12/2020	31/12/2021
Consolidated profit/(loss) for the year	331.3	41.0
Non-controlling interests	3.6	2.7
Income taxes	148.9	95.3
Net financial expenses	65.7	35.0
Depreciation and amortisation	272.3	211.9
EBITDA	821.7	385.9

2.1.4. Important circumstances after the reporting period

At the date of formulation of the Prosegur Group's consolidated financial statements for the year ended 31 December 2021, there are no significant events after the reporting date.

2.2. STOCK-MARKET RESULTS

'Behind every share you buy there is a company, and you should know what that company is like and what it is doing', Peter Lynch, United States, businessman and investor.

2.2.1. Share evolution

Prosegur's shares started 2021 listed at EUR 2.46 per share, and at close, on 31 December at EUR 2.31 per share. Over the year, the share value of the company has fallen by 6.1%.

In the first half of the financial year, the share price maintained an eminently upwards trend despite the predominantly negative tendency of the stock markets, and stood at around EUR 2.8, reaching its maximum daily value after the Capital Markets Day (Investors' Day) was held, when it reached EUR 3.05.

Despite this positive trend, after the end of July, a series of macroeconomic events occurred, which negatively affected the evolution of the share price. The principal European and world indexes underwent serious adjustments resulting from the anticipation of high inflation during the second half of the year, energy and fuel prices and – finally – the health alert brought about by the emergence of the COVID-19 Omicron variant.

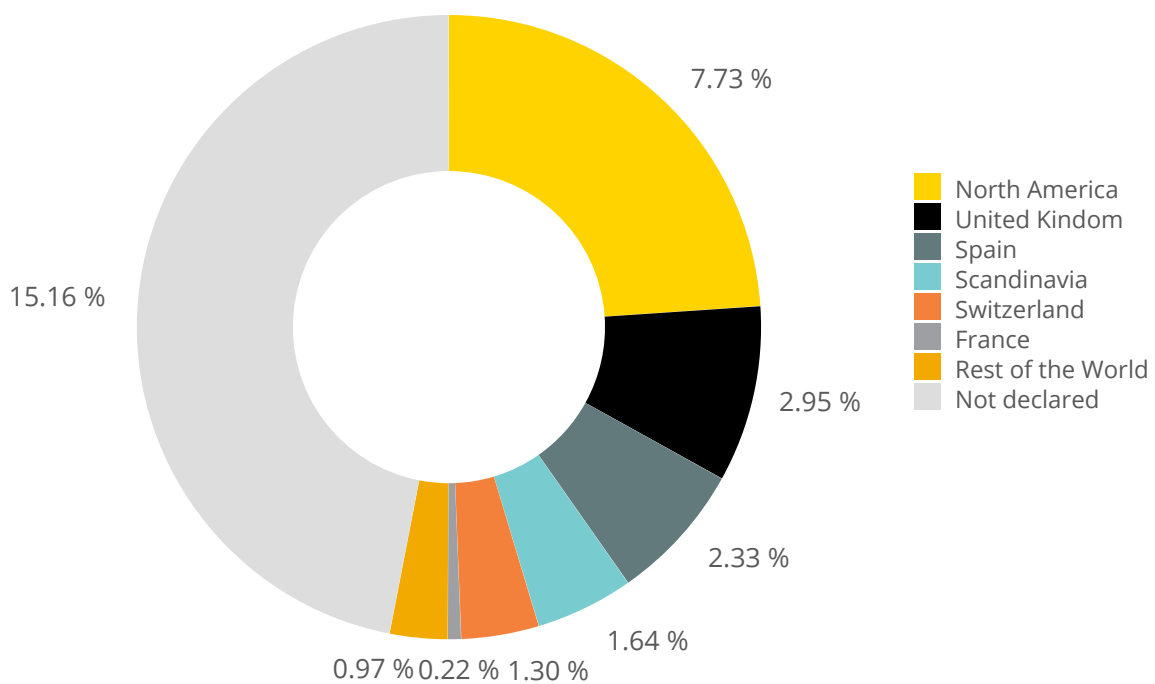
The same as for the majority of shares on the market, the Prosegur share price displayed a negative reaction to these effects and fell back from the levels reach up to July, closing the year at a price of EUR 2.31 per share.

In the first half of the year, Prosegur shares maintained an average price close to EUR 2.8, reaching a maximum of EUR 3.05.

2.2.2. Geographical distribution of free float

Excluding the significant stakes corresponding to Gubel S.L. and AS Inversiones, representing 65.77% of the share capital, the remaining 32.30% (excluding treasury stock) of the Prosegur shareholding structure is geographically distributed as follows:

Shareholder distribution by geography



At an international level and given its growth potential, Prosegur has always been well accepted among investors from different countries. There has been no significant change in the shareholdings in 2021 compared with 2020. Although the impact of certain investment funds has been noted. COVID-19 and the programme for purchase of treasury stock launched by Prosegur has meant that some of these institutions have protected their liquidity by selling their more profitable holdings. And also, in various cases, using the buy-back offer to transfer them to the Company.

An analysis of the geographical distribution of the shareholders reveals the strong presence of the United States and the United Kingdom, nations which have the principal financial markets and the greatest number of investment funds centred on the long term. Behind the British, come Scandinavia, Switzerland and Spain, these forming the lion's share of the European investors.

2.2.3. Relative to investors

Prosegur focuses its efforts on the creation of value for its shareholders, increasing profits and transparency. The policy of relationship with shareholders and investors of our Company aims to establish a communication that is direct, personal and stable over time. Prosegur has a close relationship with its shareholders, private and institutional investors and with the main stock analysts, to whom it provides detailed information on a continuous basis.

Our company uses a variety of channels to comply with this commitment to transparency. By way of example, we would mention the quarterly webcast held to inform on the profit/(loss), the Investors' Newsletter or the publication of various information contents aimed at investors.

Communication has been a strategic priority for Prosegur in 2021. Despite the difficulty of travelling and holding meetings in person, the company has been in contact with the shareholders and investors in a manner very similar to that of previous years. The statistics tell the whole story. Not only has our activity moved to the virtual world, meetings are held online. In fact, we have been in contact with more than 190 investment funds and 22 analysis institutions, we have participated in 12 sector conferences and, to the extent that the health situation permitted, we have held an international roadshow.

In June, at Prosegur we held a Capital Markets Day. A whole day in which the Managing Director and the top executives (COO, CFO and the business Directors) made a virtual presentation to the market of the 21-23 Strategic Plan, the proposals for innovation and development for each business area and our ambitious digital transformation project. The event was attended by more than 80 representatives from investment funds and financial analysis firms from 20 different countries.

In the days following the event, the market recognised the value of Prosegur's proposal and this was reflected in an increase in the share price, which surpassed three Euros. The Capital Markets Day was judged very positively and the messages were well received by the investment community.

As far as environmental, social and good governance criteria are concerned, the company has responded this year to a large number of consultations and questions relating to its specific policies in these fields. These are not empty words. Nor is it greenwashing (a type of 'environmental whitewashing'). It is tangible. Prosegur Cash is among the main ESG ratings and pertains to the FTSE4Good IBEX index, which independently assesses and classifies the companies that best manage sustainability and meet standards of good practice and corporate social responsibility.

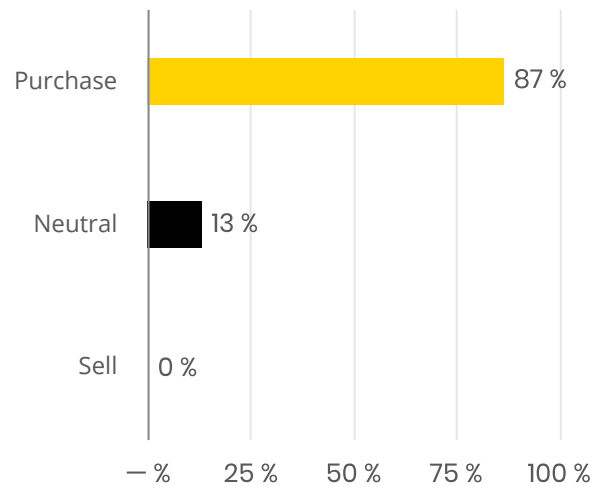
In 2021, Prosegur contacted more than 190 investment funds and 22 research firms and participated in 12 sectoral conferences.

2.2.4. Coverage of analysts and recommendations

2021 has been a year of certain changes in the stock markets. There have been some variations in the coverage of the analysts who regularly inform the market about the company. The Mifid 2 European regulation greatly limited the possibility of entities to distribute funds without giving any type of investment advice. This has increased the cost of the sales process and has obliged distributors to search for products for their clients with lower commissions. The regulation has been a two-way street. Some agencies have been obliged to close or suspend cover. Others, however, started new covers in Prosegur.

At the close of the 2021 market, the balance is very positive: of the 15 analysis institutions which regularly cover Prosegur's activities, only two maintain a neutral recommendation (there were three in 2020). The other 13 recommend buying, the same number as in 2020. None of the experts recommends selling or gives a negative evaluation of our shares.

Recommendations



2.2.5. Main shareholders

The shareholding structure of a Company reflects its strength and the soundness of its long-term corporate commitment and goes beyond specific junctures and opportunist strategies. At present, 65.77% of the Prosegur capital was in the hands of significant shareholders, 1.99% are own shares and the remaining (32.24%) are free float.

This distribution is evidence of the strong presence of the Board of Directors in the

shareholder structure. This is a huge advantage as it enables the management bodies to define the strategic lines and take decisions with the interests of all its shareholders in mind. A strong, stable shareholder structure is a sound framework. As we have seen, Prosegur is largely composed of significant shareholders and institutional investors. The best travelling companions for our company to engage in its project and attain its objectives.

Prosegur share distribution

Estimated free float (31/12/2021)	32.24 %
Own shares	1.99 %
Ms Mirta María Gieso	6.36 %
Members of the Board of Directors	59.41 %

3

Risk management



3. RISK MANAGEMENT

'The cautious man does not deplore the present evil, but spends his time preventing future afflictions', William Shakespeare, United Kingdom, playwright.

3.1. MANAGEMENT SYSTEM

Ours is a complex organisation, diversified into large business units and present in very diverse geographical areas, and as such we are exposed to numerous risk factors linked to the nature of each of these markets. As befits a global benchmark company in the security sector, we have a complete Risk Management System whose objectives are as follows:

- To identify threats proactively and in changing contexts.
- To evaluate its most critical aspects.
- Based on this analysis, to implement measures based on key indicators and capable of reducing the probability of their occurrence.
- To mitigate their potential impact on business goals.
- To apply a comprehensive, continuous, capillary and consolidated management model in each activity, department, business unit, subsidiary, geographical area and support area.
- This model is based on the standard COSO standard (Committee of Sponsoring Organizations of the Treadway Commission) and works together with other standards such as Basel III, inherent to the financial industry or the ISO 31000 standard.
- Lastly, since we serve a huge constellation of clients, our system

also manages risks on their behalf and minimises those affecting our stakeholders.

During 2021, the new Risk Control and Management Policy —approved the previous year by the Audit Committee— was in force, specifying the control and management model, the different types of risks, as well as the powers, functions and responsibilities of the structure of government.

Corporate governance structure and mission

One of the principles of the government of the System is its transversal view. Management is not understood as a vertical task, exclusive to the leadership, but as a collective mission. Therefore, the new Risk Control and Management Policy involves employees in the risk management culture, encouraging them to identify the risks and actively participate in mitigating them.

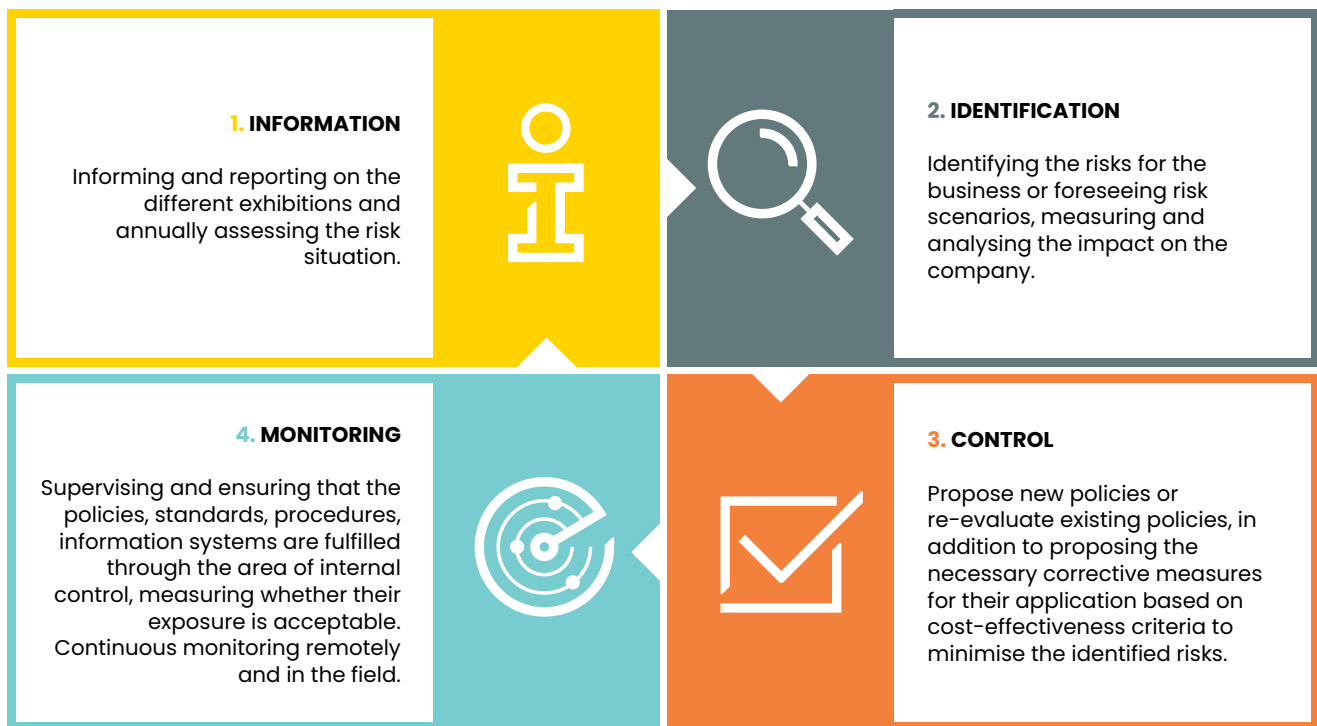
This does not, however, prevent the company's hierarchical structure from turning to management. Thus, the Prosegur Board of Directors, among its functions, assumes maximum responsibility for determining the general control and management strategy. Based on this leadership, it delegates the Audit Committee with the tasks of informing, advising and defining proposals in relation to said strategy, in addition to supervising the Risk Control and Management Unit through the Internal Audit Department.

The governance structure is completed with the Risk Committee, which ensures the proper functioning of the system by identifying, quantifying and mitigating significant risks with the maximum possible efficiency. It also participates in the general definition of the strategy and key decisions.

How the process is organised

In addition to identifying, evaluating, monitoring and prioritising the management of critical risks, the System is perfected through regular monitoring of both the results of the evaluation and the measures applied based on said prior analysis. The continuous improvement strategy is also reviewed by the Risk Committee and supervised by the Audit Committee.

Prosegur Risk Management Cycle



3.2. MAP AND CATEGORY OF THREATS

What can we understand by risk in the private security business and the context of each market? Anything that may affect the key purpose of our activity, that is, the objectives of our Strategic Plan both in the main global areas and in the work of those responsible at each local level.

We are talking about a wide variety of factors linked to changing circumstances in different

scenarios, markets and times. Therefore, evaluating the probability that they will materialise, assessing their potential impact and defining the responses adjusted to that reality depends first on their accurate classification. To ensure this first key, we have developed our own identification tool within a risk catalogue or map updated each year with homogeneous and consolidated information.

This system currently identifies six different types of risks:

- Strategic risks that can compromise the company's main objectives, which is why we manage them proactively and prioritise them over any other.
- Operational risks, related to the organisation's operational management.
- Reporting risks, which affect the information reported to the company itself or to third parties.
- Those that compromise internal or external regulatory compliance with third parties.
- Cybersecurity risks for computer systems and information technologies.
- Risks that affect ESG criteria and standards: environmental, social and good corporate governance.

We consider strategic risks to be those that may compromise the company's main objectives and that therefore require priority and proactive action.

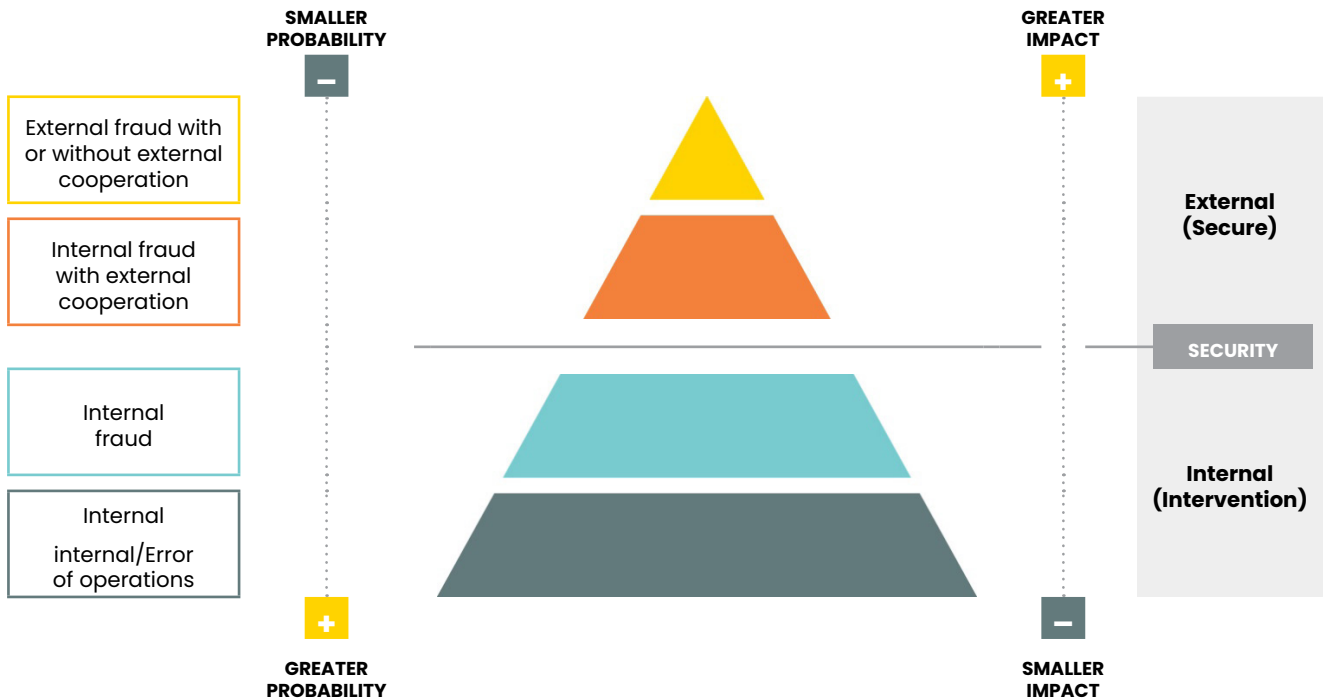
3.2.1. Operational and business risks

Prosegur carries out its activity in very diverse sectors and markets. Adverse situations occur in some of them that may limit the company's income. The list of possible circumstances with a negative impact on our results includes concentration processes in the financial sector that could lead to: a drop in the use of cash (which would affect Prosegur Cash); a reduction in the demand for security services by the public sector or cost containment policies in private companies (which would have an impact mainly in the surveillance area), or; a prolonged halt in construction with the consequent deterioration of the property market (technology and alarm businesses would suffer).

Faced with this volatile scenario, our company has drawn up a strategy that includes business diversification in different markets, the creation of new value-added products and services, the recognition of the Prosegur brand and the increase in our operating efficiency.

Prosegur makes a very significant effort in reducing the risks inherent to its business due to the potential impact that they could have on the commitments made to clients, employees and other stakeholders. The company's approach to risk management is based on strict control of three axes in all its areas of activity: infrastructure, processes and people.

Probability and impact of risks of fraud



In order to improve efficiency in operating risk management, the Company has a Global Risk Management Directorate, an area that, given its structure and organisation, provides a competitive advantage with respect to other companies of the sector. This Global Management provides us with the necessary instruments to effectively resolve contingencies associated with the safety of operations. It furthermore offers appropriate tools to ensure the maintenance of the standards and procedure defined by the Company, together with the compliance required by national regulations.

With a corporate structure located in Madrid (Spain), the Directorate is structured into three departments with regional and national representation: Security, Intervention and Insurance. In fact, integrating these three areas under a single Management maximises the effectiveness of the operations at less cost, as a result of having in-house specialists who share common procedures.

The Security department manages the risks and legal regulations regarding security and acts as the company's second line of defence. It actively participates in the development and execution of business operations in security matters. This department has employees distributed in two global support areas: Security of Bases and Facilities and International Tactical Training Team.

The Intervention department, on the other hand, is organised into two units: Intervention and Loss Control (UCP). Both combine in situ reviews of the business operations (audits of valuables in custody, controls, operating security and of the facilities, and compliance with legal regulations), with the remote monitoring of the close of daily accounting entries for all regional offices, thus minimising the losses of the Prosegur Cash business. The department is also responsible for reviewing the operations in all Prosegur Security and Prosegur Alarms business, as well as all special corporate audits (procurement, fleet, among others).

During 2021, the company continued to advance in the innovation and transformation plans of both units through the use of techniques and tools based on machine learning and artificial intelligence. Our model change puts the emphasis on monitoring operations remotely. There is also a whole development of innovative fraud control tools, in line with the new services offered by Prosegur.

Finally, the Insurance Department identifies and controls operating risks and determines

the bases for assurance and management, guaranteeing minimum impact on the Income Statement. The department creates insurance schemes, signs corporate and local policies with first rate insurance companies, covering a wide range of risks: direct and indirect employees, Prosegur's activity and its fixed assets. This department also manages a credit insurance programme that protects the possible non-payment of client bills and another assistance coverage associated with the alarm product.

3.2.2. Other potential risks

Legal, corporate and regulatory

When we talk about security services, we refer to a business that is especially subject to different regulations in each country where we operate. The list is huge: from authorisations to provide services to labour and social security legislation, arms control, prevention of money laundering, as well as privacy and data protection, competition rights, stock markets or information reporting on different activities, among others.

These regulatory limits, which also tend to change constantly due to the reformation or incorporation of laws, in themselves imply a risk of non-compliance that we mitigate through the identification of operations, periodic evaluation of the control environment and the continuous monitoring of the controls.

The local Business Divisions play a decisive role in this mission with knowledge of the reality on the ground that allows them to define procedures and tools that identify, monitor and assess any deviation from the tolerance levels in the control of operations, security and regulatory compliance. They start from the common procedures throughout the company, but adapt them to the requirements of each country, and also receive the support of the Internal Audit and Compliance Department through their periodic evaluation.

Financial

They are listed among the main types of strategic threats on the risk map and are broken down into the following specific categories:

- Interest rate related. Related to monetary assets and liabilities on the company's balance sheet. To monitor them we carry out a dynamic analysis of our exposure to fluctuating rates and simulation of different scenarios which take into consideration refinancing, the renewal of current positions at any given time, alternative financing and hedging. On the basis of these scenarios, we calculate the effect that a specific variation of the interest rate could have on profits/ (losses). 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. In 2021 our financial liabilities at variable interest rates were denominated mainly in Euro and Australian Dollars.

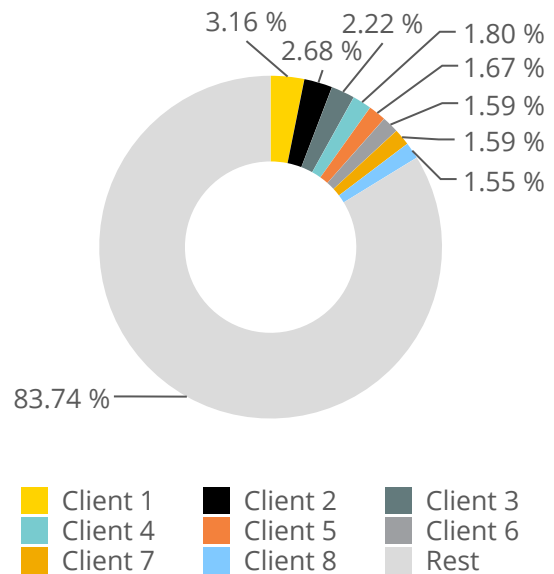
- Exchange rate risk. The natural coverage made by Prosegur is based on the capital expenditure required in the industry, which varies by business area, is in line with the operating cash flow and it is possible to time the investments in each country based on operating requirements. In 2021, we held debts in the currencies of our main countries to minimise the exchange rate risk. Most of our financial debt is held in euro (88%), Argentine pesos (3%), Australian dollars (2%) and Brazilian reals (2%); the rest (5%) is distributed among the other currencies of our countries. Note 24 of the Consolidated Annual Accounts reflects the value of financial liabilities by currency. And Note 32.1 sets forth relevant information —which affects assets and liabilities— on the exposure to the exchange rate through the prices of the main currencies.

- Credit related. To manage and control this type of risk, our Credit and Collection Departments in each country assess client risk on the basis of basic contracting information, they establish credit limits and payment terms registered in the Prosegur management systems which are regularly updated, they perform monthly monitoring of clients' credit standing and make any necessary valuation allowances based on clearly established policies. Note 32.1 of the Consolidated Annual Accounts shows tables of representativity of the main clients over the overall turnover of the Company.

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

Client concentration

At Prosegur we do not have significant concentrations of clients. In this respect, Note 32.1 of the Consolidated Annual Accounts points to the following data on the representativity of the main clients over the overall turnover:



Technology and cyber security

The digital transformation of Prosegur is among the most intense in our sector, therefore we accelerate the development of Information and Communication Technology (ICT) infrastructures and with them the technological dependency of our operations, for example, security logistics and cash management services or connections to alarm receiver centres. In short, in our daily lives we collect, process and retain increasing amounts of sensitive information, from business and operational data to the private information of clients and employees.

In the context of economic digitalisation and the increase in cyber attacks, any company is obliged to protect its systems, but even more so a company specialised in security. Therefore, we reinforce our technological risk management to shield our information and that of our clients from attacks, sabotage, computer viruses, data loss and human error.

We develop this task from several fronts. In the organisation, each business unit has a CISO (Chief Information Security Officer) who in turn reports to the CISO of the Information Security area; we report the Security Policy directly to the Board of Directors; we apply a hybrid vision between technical and risk management to understand the specific needs of each business, and; we rely on the NIST framework to improve all functions, especially protection, detection and recovery.

We focus our Cybersecurity strategy on identifying and protecting all our physical and digital assets, as well as the information they manage; detecting and responding to any information security event to minimise its impact and prevent its spread; and recovering the technological and/or operational services in the event of disruptive events or those that affect their normal course.

With this strategy and guidelines, the area seeks to ensure the dimensions of confidentiality, integrity, availability, authenticity, non-repudiation and traceability, guaranteeing that all actions carried out on the information or on an asset can be traced and that these actions can be unequivocally associated with an individual or entity.

Contrary to the classic vision of cybersecurity, we do not consider people the weakest link but as the last line of defence. With this in mind, we promote the awareness and training policy for all employees through different channels: from courses at the Prosegur Corporate University—more than 90% of the new people have done them—to massive practical advice campaigns or phishing simulations to train the staff from personal experience.

For the brand reputation

We know to what extent the success of a company depends on its good name, on the trust that the quality of its services arouses not only among clients but also in the sector. In a business as sensitive as the security of goods and people, that credit is earned slowly and can be lost with a single incident that affects the ability to operate ethically, responsibly and safely. Any breach of the expectations of our stakeholders, no matter how small, can undermine decades of prestige.

Therefore, it is critical to manage real or perceived incidents that threaten our brand value. We have integrated management and control principles into our Corporate Compliance Programme, including independent diligence processes and the detection of irregular situations from an ethical point of view.

Environmental

Although these threats cannot be classified as strategic given the low impact of our businesses, we want to further reduce our environmental footprint based on the management model and continuous improvement of the ISO 14001 standard. Not only for objective control and regulatory compliance issues, but also for ethical responsibility in the face of the climate challenges facing our societies.

In this sense, we measure, evaluate and reduce the environmental impact associated with the activity of each business in each country, we establish specific commitments and objectives that comply with each legislation, we make employees aware of the importance of caring for the environment through good sustainable development practices, and we extend this risk reduction to suppliers and subcontractors through compliance commitments.

Corruption and fraud related

Not only can these negatively affect the financial health and reputation of the company in any country, but if they reach a sufficient scale, they harm the development of entire nations, threaten equality and free competition, and even undermine the social order, economic health and political stability to the point of threatening governance models.

To confront a risk that can lead to systemic crises, we have developed a solid programme with control and management policies and procedures. Its objective is preventive or at least quick reaction: it tries to deter or detect early any activity that might be suspected as corruption or fraud by employees, administrators, shareholders, clients, suppliers or third parties who act dishonestly.

Political

Political instability can trigger a dangerous domino effect in other spheres: from economic crises to the growth of crime or social conflicts that threaten the security of goods and people. In other words, they can compromise the activities of the company and its stakeholders.

The prevention of this scenario, or even of partial aspects that may lead to it, implies an analysis of the political circumstances connected with the social and economic, in addition to continuous monitoring of emerging risks through the Security department.

We have developed an internal system to deter or detect early activity that might be suspected as corruption or fraud.

3.3. GLOBAL RISK ENVIRONMENT

Given the still high incidence of COVID-19, the environment in which Prosegur operates continues to be far from fully normal, despite progress in terms of vaccination programmes and the progressive reactivation of economies in which we are present.

If the change in the health trend is due to any factor, it is undoubtedly the massive distribution —though to a lesser extent in geographical areas such as Latin America— of vaccines developed in record time. Their effectiveness, indisputable in light of the data, has made it possible to reduce the severity of COVID-19 and therefore its mortality rate and to relieve the strain on health services.

It is important to note that, despite the generally favourable evolution, the return to normality is occurring unevenly from one market to another. As the World Bank points out in its Global Economic Prospects document, 'the recovery is uneven and mostly reflects strong upturns in some of the main economies', while 'in many emerging markets and developing economies, the difficulties that arise in terms of vaccination continue to affect activity'. Another important

aspect highlighted by the entity is the impact that the different waves and strains of the coronavirus are having on the development of economic activity.

The analyses of the International Monetary Fund indicate that the recovery prospects for Europe, the United States and the countries of Asia and Oceania in which Prosegur operates are generally solid. As far as Latin America is concerned, a first group of countries, including Chile, Brazil and Peru, would already be reaching GDP levels comparable to those pre-pandemics, while others, such as Argentina and, especially, Mexico and Colombia, point to a slower recovery and a greater degree of uncertainty.

IMF analyses suggest that the recovery prospects for most of the markets in which Prosegur operates are generally solid.

3.4. CONTINGENCY PLANS AGAINST THE CRISIS

Carrying out our activities in this context is very demanding for all the teams. However, their response has been extraordinary and has allowed us to recover a path of organic growth in all our business lines and all our areas.

The launch of our new Strategic Plan or the update of our Sustainability Policy and the approval of the Sustainability Master Plan have been possible thanks to constant monitoring of the global environment in which we work.

In this sense, and in line with the capacities that we already deployed in 2020, during this year we have carried out a timely monitoring of the evolution of events and their impact on the operations of our company, our workers, clients and suppliers. In response, since the year before we have applied a series of action protocols in line with the recommendations of the health and administrative authorities, always adapting to the particularities of each market.

Following these protocols, we have chosen to create a multidisciplinary group of senior managers who have constantly evaluated the measures we should take. In practice, this working group has expressed the initiatives and action procedures necessary to guarantee the safety and health of all our employees, making it possible to maintain excellence in customer service and incorporate the suggestions and indications of the authorities at the risk of spreading the virus.

4

Responsible management



4. RESPONSIBLE MANAGEMENT

*'Let everyone sweep in front of his own door, and the whole world will be clean',
Johann Wolfgang von Goethe, Germany, writer.*

At Prosegur, we are aware that our leadership in the private security sector implies a series of social, ethical and environmental demands. Among them, we especially assume the commitment to sustainability, the generation of decent and stable employment, the health and safety of our professional teams, scrupulous regulatory compliance and good governance and, of course, non-negotiable respect for human rights.

In 2021, we have taken a further step in fully assuming our corporate responsibility by including ESG (environmental, social and governance) criteria in the company's business model, the new compass that guides our activities. From this, within our 3P management system, a series of internal rules, procedures and criteria are derived for the provision of services that permeate the entire organisational structure of Prosegur:

- Sustainability Policy
- Environmental Policy.
- Human Rights policy.
- General Regulation Concerning Employee Complaints for Discrimination and Harassment.
- Occupational Health and Safety Policy.
- Inclusive Growth and Diversity Policy.
- Work Conditions and Social Dialogue Policy.
- Purchasing Policy.
- General Conditions of Purchase.
- Corporate Governance Policy.
- Regulation of the Shareholders General Meeting.
- Regulation of the Board of Directors.
- Regulation of the Committee for Sustainability, Corporate Governance, Appointments and Remuneration.
- Auditing Committee Regulation.
- Policy for the Selection of Candidates as company directors.
- Policy for Remuneration of members of the board of directors.
- Internal Code of Conduct on matters relating to securities markets.
- Dividend Policy.
- External Communication Policy.
- Investor Communication Policy.
- Code of Ethics and Conduct.
- Ethics Channel Policy.
- Tax Strategy.

ESG criteria are an integral part of our business model.

Main alliances

In the task of raising the standards of responsible behaviour in our sector and turning the world into a fairer, more supportive, resilient and greener place, our company is finding accomplices and powerful allies such as the International Security League, the organisation that brings together leading private security companies, present in 120 countries and gathering a total of more than two million professionals.

Since 2002, Prosegur has been one of the 13,000 signatories of the world's largest corporate responsibility initiative, the United Nations Global Compact. The Compact includes ten principles related to active respect for human rights, dignity of working conditions, preservation of the environment and the fight against corruption. This complete ethical programme includes, among other commitments, the abolition of any type of child labour, full freedom of association and trade unions, the promotion of clean technologies and the rejection and denunciation of corrupt practices such as extortion and bribery.

Other alliances related to the promotion of responsible management objectives are the adherence to The Climate Pledge and to Forética. In the words of Germán Granda, General Director of Forética, 'the incorporation of Prosegur into our network of more than 200 partners is a concrete commitment to the path outlined by Forética in sustainability, focused on three axes: increasing business ambition, accelerating action and promoting alliances that allow us to respond to the environmental, social and good governance challenges that we urgently need to address'.

Presence in indices and ratings of sustainability and good governance

At Prosegur, we also accept that a simple declaration of intent is never enough. Good intentions must be endorsed with concrete actions, and these actions must be supervised and validated by independent observers. That is why our company, true to its commitment to transparency, is present in some of the most internationally recognised sustainability indices and ratings and maintains a fluid relationship with the most relevant stakeholders.

These are the main indices and ratings that evaluate our corporate commitment to sustainability:

- Standard & Poor's Corporate Sustainability Assessment (CSA). For the first time, in 2021 we presented the questionnaires to participate in the corporate sustainability assessment of the world's leading provider of credit ratings, market analysis and benchmarks.
- Carbon Disclosure Project (CDP). In 2021, we also disclosed our environmental impact for the first time through the system managed by this non-profit organisation. CDP offers logistic support to companies and institutions that want to make progress in areas such as the fight against climate change, water security and deforestation.
- Sustainalytics. Prosegur has achieved the rating of Low Risk company, as well as the best in the field of private security, in the corporate governance and ESG analysis index offered by this prestigious research company.

- Vigeo Eiris (V.E.). We are ranked 7th in the sector ranking and our ESG performance is above industry average.
- MSCI. We continue to work with MSCI, with whom we have had a relationship for almost ten years.
- FTSE4Good. Our company has been part of this index for more than ten years, which identifies the companies with the best corporate social responsibility policies on the planet.
- EcoVadis. This platform independently assesses the degree of corporate social responsibility and sustainable purchasing

of companies around the world. Prosegur is above the average of the companies analysed.

- AENOR Good Corporate Governance Index. Finally, Prosegur and Prosegur Cash have been the first companies to receive the Good Corporate Governance Index certification issued by AENOR, in what we consider an independent validation of the success of our commitment to a responsible, profitable and sustainable business model. Both companies obtained the maximum G++ rating.

True to its commitment to transparency, Prosegur is present on some of the most internationally recognised sustainability indices.

4.1. COMMITMENT TO SUSTAINABLE DEVELOPMENT

Actions based on solid principles generate true value. At Prosegur, we believe in the need for our actions to have a positive impact both in society in general and in the communities in which we are present, as well as among our workers, partners, clients, suppliers or the institutions with which we cooperate.

From the point of view of sustainability, the framework that provides this vision of value creation is that of environmental, social and governance criteria as an inseparable part of the way we operate our business, in which these three individual elements are also intertwined.

Much of this positive impact comes from drawing up and implementing a sustainable development

strategy, because few actions guided by ethical responsibility are right now as important as contributing to the good health and long-term future of the planet. Our company has a strategy and a non-negotiable plan that is based on the following pillars:

- A wide range of sustainable services. Since being competitive is not incompatible with environmental responsibility, Prosegur makes remote surveillance or cash management automation services available to its clients without associated increases in emissions. We also encourage both the suppliers we work with and require the raw materials we use to meet the

highest standards in ethics, transparency, human rights, labour relations and environmental commitment.

- Cost reduction. Not understood as a simple saving and expansion of the profit margin, but as an efficient management model based on the concept of circular economy. A clear example can be found in the design, production and management of our uniforms, in which criteria are applied to extend their useful life and facilitate the recycling of garments, drastically limiting the generation of waste.
- Increased productivity through efficient labour management. This point involves the creation of a motivating environment that fosters and stimulates the development and talent of our workforce, approximately 150,000 professionals who deserve fair remuneration, opportunities for promotion and job development, and options to optimally reconcile family life with work.

- The improvement of investment decisions. In this point, we have carried out significant projects guided by long-term sustainability criteria. Prosegur's investments, today more than ever, must be sustainable, not cause environmental, social or governance damage and contribute to a sustainable transformation of the business.
- Alignment with the new regulatory environment. Legal frameworks, both nationally and transnationally, are changing to better reflect new commitments and concerns. Prosegur includes both this legal evolution and the new recommendations and standards in labour, environmental and governance matters.

4.1.1. Sustainability Governance

In line with its new commitments and the evolution of its business model, Prosegur has equipped itself with a renewed internal structure. At the top, as the highest decision-making body, except in matters of exclusive competence of the Shareholders General Meeting, remains the Board of Directors.

The Sustainability, Corporate Governance and Appointments and Remuneration Committee has the task of periodically evaluating and reviewing our environmental and social policy without ever losing sight of social interest and the United Nations Sustainable Development Goals (SDGs) and making them compatible, as appropriate, with the legitimate interests of the other stakeholders. The Committee is also responsible for supervising compliance with the corporate governance rules and internal codes of conduct in force in the company, also ensuring

the consolidation of a corporate culture fully in tune with our values and purposes.

In turn, the Audit Committee is responsible for supervising the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the governing body aimed at safeguarding its integrity.

The organisational framework in this area is completed by the Sustainability Committee and the Global Sustainability Department. The first, led by members of the Management Committee, defines objectives and action plans. This body ensures that our values and purposes in terms of sustainability and risk control are translated into scrupulous and consistent actions as a preliminary step to supervision by the Sustainability, Corporate Governance and Appointments and Remuneration Committee.

And the second, reporting to the Senior Management, is a transversal department that coordinates and supervises the operation of all

areas in environmental, social and corporate governance aspects.

The sustainability governance model at Prosegur promotes a business model that seeks to respond to the needs and demands of our environment.

4.1.2. Sustainability Policy

The company's Board of Directors on 28 October approved an update of our principles and general bases of sustainable development. The new conceptual framework strengthens sustainability as one of Prosegur's basic values, with the Sustainable Development Goals as its guiding principle and in full compliance with Recommendation 55 of the Code of Good Governance of Listed Companies, approved in Spain by the National Stock Market Commission in 2015 and updated in June 2020.

This Sustainability Policy permeates our entire corporate structure and admits no exceptions. It is non-negotiable in all Prosegur subsidiaries, activities and business lines and in all the countries in which the company is present. All contracted companies acting on behalf of the company must also adhere to it, as well as joint ventures, temporary ventures and other equivalent companies.

4.1.3. Sustainability Master Plan

Another important development in our company in 2021 was the approval of our Sustainability Master Plan, a detailed action guide that includes 63 specific initiatives in four areas: Environment; People; Safe Work and Ethics; Transparency and Governance.

Each of these areas in turn encompasses five pillars with initiatives and objectives to be pursued during the term of the Strategic Plan 21-23. The principles by which the Master Plan is governed are detailed below:

Environmental issues

On this point, there is no room for reluctance or ambiguity: the preservation of the ecological environment is one of the fundamental challenges of our time, and any company that is willing to assume its corporate responsibilities must first commit itself to this objective. At Prosegur, we wanted to go beyond the new laws and regulations that are being implemented at international level and stick as strictly as

necessary to an internal plan for optimising resources and reducing environmental impacts.

The transition to a circular economy, waste reduction and accelerated decarbonisation are key priorities in our Master Plan. The long-term goal is to have achieved emissions neutrality by 2040. To get closer to that horizon, we have assigned ourselves a series of partial objectives for the period of the Strategic Plan 21-23.

OUTSTANDING STRATEGIC OBJECTIVES:

- To increase the penetration of New Products that produce fewer greenhouse gas emissions, reaching a percentage of 21.6% by 2021, 23.2% by 2022 and 25.2% by 2023.
- 50% use of renewable energies
- 100% efficient lighting and a 5% reduction in electricity consumption before the end of 2023.
- 5% reduction in emissions from Prosegur Alarms and Prosegur Security.
- 3% reduction in consumption per kilometre and year of Prosegur Cash.
- Management of 85% of waste through approved suppliers.

People

Our team is our most valuable asset. With a workforce of approximately 150,000 people of a wide variety of profiles, our top priority is to create a motivating, egalitarian, diverse work environment that fosters commitment to Prosegur's values.

We know that having a workforce like ours is our main competitive advantage and the key to being a sustainable company. We manage this enormous wealth by committing to equal opportunities; we offer work-life balance possibilities and a complete training and development programme, and we strive to attract and retain talent.

At Prosegur we are also aware that the nature of our activities and the characteristics of some of the environments in which we operate may threaten the safety and integrity of our staff. These situations may occur either as a direct consequence of our protection and surveillance tasks or as an effect of our commercial relations or within the communities in which we are present. This is why our main focus is to eliminate possible risks from the performance of the activity or, otherwise, to minimise the exposure to risk to prevent the materialisation of damage.

In these cases, Prosegur acts with a zero tolerance policy towards Human Rights violations and analyses each specific case in depth to take the necessary measures. To take stock of our actions in this specific area, we have standardised a Due Diligence process on Human Rights and established an external audit to take place every three years.

Regarding inclusive contracting and promotion of diversity, at Prosegur we have brought a significant number of people with disabilities into our workforce, to whom we offer a better future through decent employment. In this sense, our Centre for Robotisation, Excellence, Automation and Digitisation (CREAD) stands out, an area that combines technological innovation, people and operations and in which we plan to integrate a percentage of employees with disabilities accounting for nearly 10% of the total workforce. These will be engaged in value-added tasks such as the creation of machine learning models.

Another of Prosegur's essential goals is to achieve a gradual balance between men and women in our workforce. This is a process that has been going on for years and has already give us a percentage of women higher than average for the private security sector. In the period of our current Strategic Plan, we have proposed to increase the presence of women in positions of responsibility in our company by five points.

All this commitment to people has the ongoing training of our teams as an essential lever. Our medium-term goal is to increase the online educational offer by 10% and ensure that the training modules, whether face-to-face or digital, reach 90% of our workforce. In 2021 we provided mandatory training in sustainability, an essential and increasingly important subject for us, to more than 8,000 structural employees.

Another main focus is on our staff being trained in the technological transformation process that the company has embarked on. We thus reduce the effects of the digital divide as much as possible and ensure that no one is left behind.

OUTSTANDING STRATEGIC OBJECTIVES:

- Five-point increase in women's representation in positions of responsibility, management and leadership.
- Inclusion of people with disabilities, until they account for 10% of the workforce in the information technology area.
- 10% increase in online training hours on specific topics, including health and safety and human rights.
- 90% of employees receiving face-to-face or online training each year, aimed at their professional development or recycling.

Safe work

The commitment to create safe environments for all starts with our employees. Caring for and protecting those who care for and protect is one of Prosegur's essential concerns. This extends to all collaborators and suppliers, regardless of their relationship with the company.

Our management system focuses on the ongoing improvement of our processes, which makes it possible to increase the security level of our facilities and the jobs of our employees.

We will always aspire to decrease accidents to zero. To do so, each year we will establish specific objectives and monitor them continuously according to the line defined in our Master Plan. The goals in 2021 revolved around reducing the incidence, i.e., the number of accidents based on the number of employees. To this regard and compared with the target to reduce this rate by 2 points, we have had very positive results, with a decrease of 4.2%, which translates into a 21% decrease in minor accidents and a 6% decrease in serious ones.

As a complement to all this, we take our commitment to health both in and out of the workplace to the promotion of healthy habits among our employees to maintain an adequate state of physical and mental fitness.

OUTSTANDING STRATEGIC OBJECTIVES

- Update of the Global Occupational Health and Safety Policy.
- Holding quarterly meetings with the Business Management to monitor the main Occupational Health and Safety indicators.
- Weekly meetings with Safety and Health experts in each country in which Prosegur is present.

Ethics, transparency and governance

We must forcefully state: Prosegur always acts with integrity, full respect for the law and principles guided by ethical responsibility in all the countries in which it is present. This is an essential element of our corporate identity and the best guarantee for our employees, suppliers, contractors and business partners.

For this reason, we have established specific training objectives for our staff on legal, regulatory and internal operational issues as

well as on the ethical principles that inspire us. In this way, we hope that they fully understand and internalise the company's values and help prevent cases of corruption, fraud or bad practices from occurring.

Likewise, we have launched an Internal Control System for Non-Financial Information the objective of which is to identify associated risks and implement controls that guarantee that the information reported to the company's management bodies is accurate and complete and that it meets our standards.

OUTSTANDING STRATEGIC OBJECTIVES:

- Creation and updating of the internal regulatory framework for sustainability.
- Updating of the Code of Ethics and Conduct.
- Monitoring of 100% of the complaints filed through the Ethics Channel.
- Implementation of a supplier risk monitoring, approval and assessment system.

4.1.4. Commitment to Sustainable Development Goals (SDG)

On 25 September 2015, world leaders from 193 member states of the United Nations adopted 17 Sustainable Development Goals (SDGs). The aim was to work for the present, but also for the future: to protect the planet, fight against poverty and build a fairer, more sustainable and prosperous world for future generations.

All these challenges found their space in the framework of the 2030 Agenda on sustainable development. These are challenges that call states, civil society, and especially companies, to action. Within each objective, different goals are set, each with its own indicators, green or red lights that serve to determine whether the objective is met or not.

At Prosegur we interpret the SDGs as an opportunity to deepen our company's social and ethical commitment. We have therefore brought them into our strategy and our business plan. They form a decisive part of our roadmap to contribute to a more sustainable society.

The algebra is simple, but ambitious. Our company works directly on the ten objectives that are closest to our sphere of activities and in which we believe it is more feasible to achieve results that make a difference.

Listing them is easy, but making them reality is a formidable challenge:

- SDG 3: Health & Well-being.
- SDG 4: Quality education.
- SDG 5: Gender equality.
- SDG 7: Affordable and non-polluting energy.
- SDG 8: Decent work and economic growth.
- SDG 9: Industry, innovation and

infrastructure.

- SDG 12: Production and responsible consumption.
- SDG 13: Climate action.
- SDG 16: Peace, justice and solid institutions.
- SDG 17: Alliances to achieve objectives.

At Prosegur we know that this commitment will be a firm guide that will permeate our daily action in the coming years.



SDG 3: Health & Well-being

In this specific area of action and as indicated, we aspire to decrease our accident rate to zero. To do so we have designed a complete shock plan that includes pre-defining the goals, specific quantitative as well as qualitative ones.

In addition to the outstanding results in the reduction of occupational accidents cited above, from a qualitative viewpoint the focus is on traffic accident prevention, the main cause of serious accidents in the company, with measures such as the successful road safety campaign that took place in June with over 28,000 participants.

These measures and accident rate data are measured in three ways. In the first place by our local expert teams and, secondly, by the safety and health committee meetings held quarterly by the corporate team, which is also led by its Managing Director in the case of the business line with greatest exposure, Prosegur Cash.

Lastly, in 2021 this monitoring was reinforced with the creation of weekly meetings of the Safety and Health Expert Groups. It is the sum of professionals in this field from the different countries where Prosegur is present. Its purpose is to identify trends and needs and implement a policy of best practices.



SDG 4: Quality education

In an environment as competitive as ours, the training and qualification of workers is one of the best ways to make a difference. At Prosegur, we commit firmly to the talent and the professional development of our employees. They are the pillars of the company. And today, the updating of knowledge comes in different ways. This structure allows workers to move up in their careers, improve the performance of their duties and increase their job visibility. In figures, more than two million training hours were given in 2021, implying an average of 14.4 hours of training per employee.

Of course, today's society cannot be understood without online learning. Our company has a global digital platform, the Prosegur Corporate University, a virtual space to acquire knowledge, live out the company's values and develop talent through a common culture. In total, more than one million hours of training were completed during the year.

Furthermore, sustainability has been included in our basic training offer, which includes knowledge that all employees must acquire. We thus aspire to making the company's commitment to the future of the coming generations even more evident.



SDG 5: Gender equality

In Prosegur we opt for internal talent, especially the talent of our women. This is why we consider the active promotion of equality and empowerment of women as an essential goal.

Despite the fact that the percentage of women in Prosegur now stands at 21% of the total workforce, above average for our sector, it is our goal to continue to increase women's representativeness to achieve a gradual balance between men and women.

Since equality is one of our cornerstones, we specifically created #EmpoweredWomen, a programme through which we encourage women's talent. This includes an individual work plan for all women with increased responsibility as well as #EmpoweredWomen scholarships, whose goal is to provide opportunities to women in all Prosegur professional categories through training programmes.



SDG 7: Affordable and non-polluting energy

Our Strategic Plan includes the line of action and the commitment that Spain has adopted as a whole: that all electricity consumed might come from renewable sources as soon as possible. Rapid progress is being made in this regard with the north committed to the exclusive use of affordable, safe, sustainable, modern and non-polluting energy.

Among the specific initiatives carried out by our company, a pilot project to install photovoltaic panels in 15 Prosegur Cash delegations in Brazil stands out. At the end of the Strategic Plan 21-23, this is expected to reach 95% of the delegations in that country.



SDG 8: Decent work and economic growth

Prosegur's commitment to the communities in which we operate begins with offering quality employment and ensuring decent working conditions as well as a constant and fluid social dialogue.

It is our firm goal to maintain the connection between social progress and economic growth, reaffirming our commitment to strict compliance with the law in all those regions in which we are present, complying with local legislation and the requirements that exist in each one of them.

We likewise maintain constant collaboration with legitimate employee representatives for effective communication and open dialogue. So much so that 14% of the workforce are union members, and 77% of our employees are covered by existing Collective Bargaining Agreements.

The maintenance of stable and productive working relations is a priority for Prosegur, which is why we seek to enhance trust and mutual respect among employers, employees and their organisations in order to identify common interests to increase productivity and improve the working conditions of our professionals.



SDG 9: Industry, innovation and infrastructure

The company has launched an ambitious Innovation and Digital Transformation Plan. The future of the business lies in R&D and this pillar has been endowed with a certified total investment of 26.6 million euro. At Prosegur, technology is part of the DNA of its activity.



SDG 12: Production and responsible consumption

The fight against climate change is a task taken on with the utmost seriousness at all levels of the company. Carbon dioxide emissions are controlled, there is a smartphone application that allows you to reserve ecological vehicles (electric and natural gas) by time slots, and a multifunctional model of printers has been installed in the offices, which contribute to reducing paper consumption.



SDG 13: Climate action

The mitigation of climate impact is essential in our company discourse. To begin with, we closely monitor the volume of our carbon dioxide (CO2) emissions with the aim of gradually reducing it and fully offset it before 2040. This objective is reflected in the signing of The Climate Pledge initiative. Older vehicles with high consumption are also being removed from the Prosegur Cash fleet.



SDG 16: Peace, justice and solid institutions

Make the world a safer place. This is the inherent responsibility of an activity such as Prosegur's. All company workers, regardless of their position, have an ethical commitment and strict compliance standards. The company has a Code of Ethics and Conduct, which accurately outlines the behavioural guidelines of the firm's professionals.

This regulation focuses above all on compliance with the law, respect for human rights, equality and fair treatment among workers. But it goes further and also implies a code of respect in the relationship with our stakeholders. We are talking about a circle and it has a space that closes it. The Corporate Compliance Programme eliminates or reduces breaches that may arise in daily work.



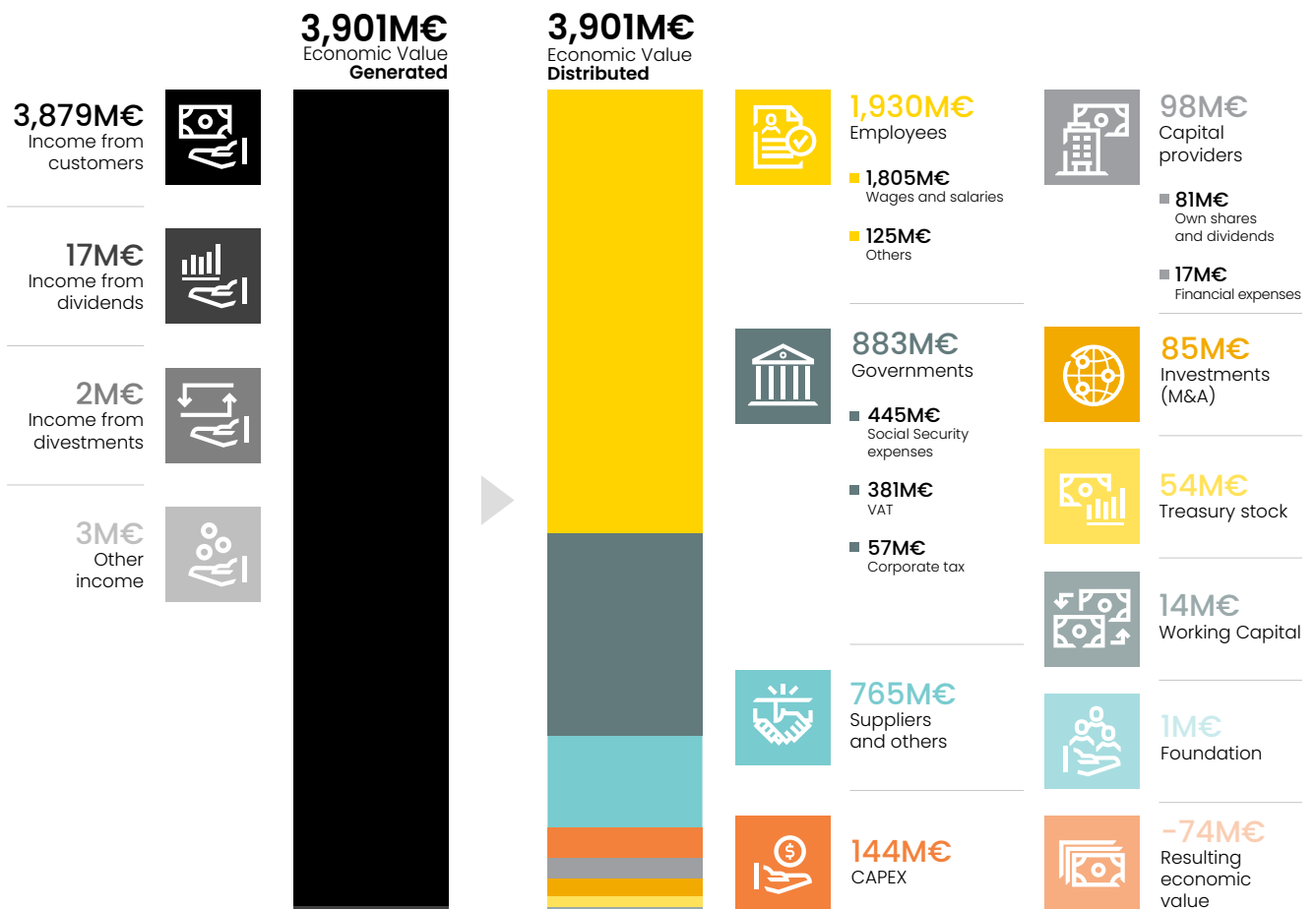
SDG 17: Alliances to achieve objectives

Prosegur understands that in order to make this program a reality, it is necessary to work jointly and in coordination with the civil, state and business worlds. The company is part of various organisations that share this philosophy. It also supports the United Nations Global Compact, a call for companies to incorporate ten universal principles related to human rights, the environment, labour and the fight against corruption in their strategies. This pact is also an engine for moving forward in the implementation of the SDGs, reinforced by the already-mentioned integration of Prosegur in The Climate Pledge and Forética.

4.2. CREATION OF VALUE

Prosegur is a company that generates value. And part of our essence consists of a just and equitable distribution of that income. There are three basic destinations: employees (49%), public

administrations (23%) and suppliers (20%). By extension, our activity benefits investors and shareholders, and the company overall.



4.3. IMPACT OF NON-FINANCIAL QUESTIONS ON THE BUSINESS MODEL

Sustainability is a demand of the market, society and clients. The environment varies and requires continuous transformation. The value-added products and services associated with technology will be a pair that dances their particular tango. The music playing in the background is the score for artificial intelligence, big data analytics, the internet of things, and less reliance on carbon-based energy.

This new vision comes at a price. In accounting terms, it would be the financial impacts of

non-financial issues. Far from the economic tongue twister, they are simple concepts. Prosegur is investing (in financial terminology we speak of Capex) today to achieve benefits tomorrow. For example, in the purchase of less polluting vehicles that allow access to city centres. But the balance is dressed. The reduction of emissions and the purchase of electrical energy increase operating expenses (Opex). Although at Prosegur, sustainability is priceless.

4.4. MATERIALITY ANALYSIS

This materiality analysis of Prosegur —that is, of its responsibility to deal with impacts and risks— revises and updates the previous materiality matrix and adapts its most relevant aspects to the sector context and evolution.

We have followed the concept of 'simple materiality', while keeping in mind the internal and external relevance. To do this, we not only identify the most significant economic, social and environmental impacts of the company, we also include their assessment for both external stakeholders, that is, clients and shareholders, and internal: senior management and employees. With the latter we maintain a constant dialogue through unions and workers' organisations. We thus aspire to show its progress and determine the most appropriate actions to continue generating value.

The analysis of priorities carried out this year results in a Materiality Matrix with 36 relevant issues. We have classified 20 of them as priorities for our Sustainability Strategy and the actions that we will develop next year.

In the following, we detail the materiality goals and the process to achieve them:

Objectives

- To each year define and update the material issues three years ahead, considering the maturity of emerging aspects among Prosegur's stakeholders and the response capacity of our organisation.
- To anticipate the concerns and expectations of internal and external stakeholders to improve our sustainable behaviour.
- To focus on the most relevant issues to manage and implement sustainability in the company, in order to mitigate risks and align the reports with said priority objectives.
- To integrate knowledge about the latest sustainability trends in the market and the sector, and to analyse the sustainable

policies of the main companies in the field of security (benchmarking).

- Through interviews and questionnaires, to find out what the company's senior management and its main stakeholders think about the material priorities.
- Likewise, to know our employees' opinion through a climate survey.

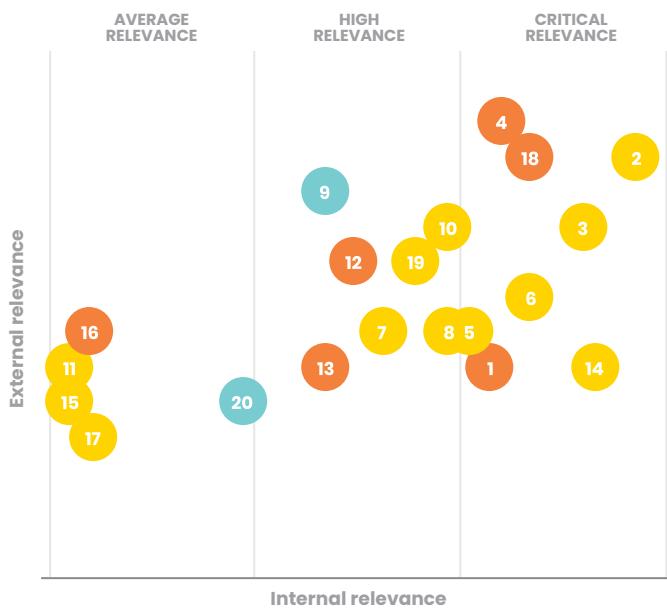
Methodology

- Identifying material issues with possible impacts on the environment and non-financial issues that may affect Prosegur. In this way:
 - A. We review the company's Sustainability Strategy and the latest materiality analysis to also determine its validity.
 - B. We delve into specific material aspects by analysing the main trends in the sustainability and security sectors and their

reference companies.

- We classify and structure the material issues around the following axes: People and safe work; Ethics, transparency and governance, Environment.
- We prioritise the most important issues through a double analysis: external relevance for stakeholders and internal relevance for senior management and employees.
- We prepare the Materiality Matrix with the results of said prioritisation based on relevance and its possible impact on the business.

In the following table we detail the classification of the 20 main issues resulting from the materiality analysis in three categories of importance —critical, high and medium. These take into account the level of priority when implementing plans, projects and actions, from those that require immediate development to those that can afford longer deadlines:



- 1 Diversity, equality and integration
 - 2 Ethics and anti-corruption
 - 3 Human Rights
 - 4 Occupational health and safety
 - 5 Customer relations
 - 6 Good Governance
 - 7 Risk management
 - 8 Economic performance
 - 9 Atmospheric Pollution: reducing CO2 emissions
 - 10 Regulatory and legal compliance
 - 11 Discussion with stakeholders
 - 12 Talent management
 - 13 Promoting Technology and innovation
 - 14 Data protection and information security
 - 15 Responsible supplier management
 - 16 Supply chain management
 - 17 Community relations
 - 18 Labour Relations
 - 19 Business continuity
 - 20 Sustainable mobility as a fight against climate change
- People and safe work ● Ethics, transparency and governance ● Environment

The materiality analysis points out determining aspects for Prosegur: firstly, the occupational health and safety of its employees, together with the fight against corruption and respect for the code of ethics and labour relations, in addition to respect for human rights, good governance, diversity, equality and inclusion, data protection and information security.

Compared with the previous year, we have increased the importance we attribute to aspects related to air pollution and the reduction of CO2 emissions. And following the 2021 results, we do not include biodiversity and the fight against food waste among our priorities, since our activities do not have a significant impact on any of them.

5

Environment



5. ENVIRONMENT

'If you serve Mother Nature, she will serve you', Confucius, China, thinker.

At Prosegur, in 2021 we adopted a new, much more committed, demanding and ambitious Environmental Policy, which affects all company instances, from our internal daily action protocols to our purchasing management model.

Within the framework of this process of transition towards a low-emissions model, we once again reiterate our adherence to the United Nations Sustainable Development Goals (SDGs), our commitment to a circular economy

that entails a drastic reduction in waste, and our firm will to make an exact measurement of our carbon footprint and the effect of each of our specific actions on this indicator.

We also work on identifying the main environmental risks and developing measures to mitigate them. We apply the principle of precaution, seeking to guarantee a high level of environmental protection by taking preventive decisions in the event of risk.

5.1. ENVIRONMENTAL ASPECTS

The business activities we develop do not have a significant impact on the environment, accelerate climate change or pose a threat to biodiversity. Nor do they have a significant impact in terms of acoustic or light contamination. They are activities related to the provision of services, not transformation or production. They are very labour-intensive activities, such as security logistics services or surveillance work. The main environmental aspects inherent to our activities are:

- **Prosegur Security, Cipher, Prosegur Alarms and AVOS** business involve activities considered to be of low environmental impact. The most significant are the consumption of paper, uniforms and fuel, and the generation of mainly low-hazard waste such as paper and cardboard.

- **For Prosegur Cash**, also considered a low-impact activity, though higher than the remaining businesses, the main environmental issue relates to the direct emissions of greenhouse gases associated with fuel consumption. There is also the consumption of electricity, paper and plastics at the operating centres.

It is important that the global changes caused by the COVID-19 pandemic have not had a significant impact on our environmental performance.

Prosegur was the first Spanish security company to achieve ISO 14001 certification. We are currently certified in Argentina, Colombia, Spain, Peru and Portugal. In those countries where certification is not available, the company will implement the best practices acquired that are not already under way.

As part of our commitment, we have a civil liability policy, valid until 31 December 2021, which includes coverage for accidental contamination that we might generate. This policy has a coverage of up to EUR 75,000,000 per claim to cover accidental damages that may be caused by the exercise of the activity.

Towards a low carbon economy

The latest United Nations Climate Conference (COP26) yields a clear verdict: the decarbonisation process is advancing globally at an insufficient rate to contain the increase in temperatures. It is therefore essential to speed up the pace.

At Prosegur, we want to assume our responsibility in this collective challenge, aware as we are that whoever is not part of the solution is part of the problem. In the last year, we have renewed strategic commitments such as our corporate plan to achieve carbon neutrality before 2040 or our aforementioned adherence to The Climate Pledge, the project to combat climate change launched by Amazon and Global Optimism.

Likewise, in line with our ambition, we have begun work on the possible establishment of emission reduction targets both in the short and long term, in line with the Science Based Targets (SBTi) initiative.

We were pioneers in applying emission reduction measures in the private security sector, and we are doing so again by launching a specific large-scale decarbonisation project. Its first phase offsets the equivalent CO₂ emissions generated by the European operations through waste management in Rio de Janeiro (Brazil). Endorsed by international reference standards and aligned with the SDGs, the project has already avoided the emission of more than 2.5 million tons of CO₂ (Certified Emission Reduction).

The choice of Brazil is no accident; it is explained precisely by its status as a strategic market and its special importance for the health of the planet

given its immense biodiversity and the CO₂ sink concentrated in its territory. The emissions compensation model will gradually be extended to the Asia-Pacific region and all of LatAm, until it covers the 26 countries where Prosegur operates in the medium term.

On the other hand it is worthy to note that 100% of the energy consumed in Spain comes from renewable sources.

We have launched a pioneering programme in our sector to offset the equivalent CO₂ emissions generated by our operations in Europe.

Risks and opportunities derived from climate change

Throughout 2021, we carried out a specific project to analyse potential risks and opportunities arising from climate change. This examination was made under a GHG (greenhouse gas) emissions scenario and in different time periods, in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The aim is to incorporate climate change into the short, medium and long-term business strategy, to manage risks appropriately and to maximise opportunities for our business.

Chosen scenario:

In recent years, climate change has become one of the most relevant risks within the Risk Management Model.

The study focuses on the exposure of our business to physical risks, the risks arising from the transition to a decarbonised economy, and the opportunities that might arise as a result of climate change and the transition to decarbonisation of the economy. To do this, we have analysed the probability and impact in the RCP 2.6 scenario (Representative concentration pathway, which assumes a substantial reduction in GHG emissions over time, to ensure that its radiative forcing first reaches 3.1 W/M2 in 2050 and 2.6 by 2100. The temperature probably does not exceed 2 °C) and in several time horizons in the short, medium and long term.

Context of the chosen scenario:

At the time the scenario was chosen, the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) had not been published, so the scenario was established with the data available up to that time. The most optimistic scenario was set.

- The scenario chosen by Prosegur is halfway between two of the scenarios used by the IPCC in AR6.
- The chosen scenario complies with the TCFD recommendations to choose a scenario of 2 °C or less.
- The scenario is aligned with the objectives of the policies developed from Europe.
- The chosen scenario assumes that policies will continue to be developed throughout the decade, which will make it even more plausible than SSP2 -4.5.

Additionally, we will continue to periodically evaluate climate risks and opportunities in the different scenarios, taking into account those of greatest probability according to the conclusions

emanating from the main international organisations.

Climate risk and opportunity analysis methodology:

Each of the climatic risks and opportunities has been analysed taking into account different sources of internal and external information, according to the nature of the risk or opportunity. For physical risks, existing maps with climate projections have been used to find out how our facilities will be affected, alongside qualitative information from reputable sources. For transition risks, the regulation established by governments and institutions and the various future development plans and their implications were analysed. Finally, qualitative information from recognised sources was studied for opportunities.

In this way, for each of the areas, the particular impact that the risks and opportunities derived from climate change have on the assets and activities of Prosegur was evaluated, analysing their current and future implications on our activities. The study allowed us to establish the values of probability of occurrence and potential impact, identifying the time horizon of significant materialisation.

Furthermore, the established values of probable occurrence and impact on our activity, allowed us to prepare the different heat maps for each of the identified risks and opportunities.

Climate change risks:

The results of this scenario analysis indicate that in the SSP2 -2.6 scenario, the most relevant global risks that would affect our business are transition risks (twenty-one transition risks versus nine physical risks). On the time horizon, eight risks are current, fourteen risks are concentrated in the short term (from one to five years), four in the medium term (from six to fifteen years) and four in the long term (from sixteen to thirty years).

Physical impediments on mobility and new information reporting requirements stand out as current risks. In the short term, transition risks related to evolution towards low-emission technologies and new rates linked to GHG emissions derived from operating activity. In the medium term, transition risks such as geopolitical and social instability and loss of asset value. Finally, in the long term, the transition risk of variation in the availability of resources and physical increases in environmental temperature and sea level.

Physical risks



Chronic

- The increased environmental temperature or sea level, as well as rainfall and river flooding.



Acute

- Extreme rainfall (torrential rain, hail or snow) and extreme weather events, such as forest fires.

Transition hazards



Regulatory

- Rates related activity GHG emissions.
- Regulatory restrictions on vehicle mobility.
- New information reporting requirements.
- New legal requirements regarding energy efficiency in buildings.
- New legal requirements regarding the reduction of GHG emissions and climate change management.
- Increased exposure to environmental lawsuits/violations.



Technological

- Transition towards low emissions technologies.



Market

- Variation in resource availability.
- Changes in client behaviour/preferences. Inappropriate insurance cover.
- Change in insurance conditions. Market uncertainty.
- Difficulties achieving financing. Geopolitical and social instability.
- Loss of value in assets.



Of Reputation

- Increased concern or negative comments from stakeholders.
- Changes to the Group's structure.
- Prosegur loss of image due to the use of resources/services.
- Non-fulfilment of climate goals.
- Deterioration of the image of the sector.






Climate change opportunities:

Climate change and the transition to a decarbonised economy not only pose risks for companies. Opportunities also arise.

The results of our analysis establish thirteen opportunities (nine market opportunities and four of various types).

On the time horizon, we have identified one current opportunity regarding direct incentives from the administration related to energy efficiency and resource consumption; ten short-term opportunities, among which the direct incentives of the administration related to the

decarbonisation of transport and differentiation from the competition stand out; one opportunity in the medium term related to changes in client perception; and one long-term opportunity related to improving the image of the sector.

				
<p>Markets</p> <ul style="list-style-type: none"> ■ Improvement of the image of the sector. ■ Differentiation over the competition. ■ Indirect incentives of administration. ■ Changes to the Group's structure ■ Opening up new markets. ■ Increased demand for products and/or services. ■ Change in insurance conditions. ■ Achievement of financing. ■ Asset capitalisation. 	<p>Resilience</p> <ul style="list-style-type: none"> ■ Direct incentives from the administration in the fight against climate change. 	<p>Products and services</p> <ul style="list-style-type: none"> ■ Changes in consumer preferences. 	<p>Energy source</p> <ul style="list-style-type: none"> ■ Indirect incentives from the administration in transport decarbonisation. 	<p>Resource efficiency</p> <ul style="list-style-type: none"> ■ Indirect incentives from the administration regarding energy efficiency and resource consumption

Awareness raising and volunteering to face the sustainable challenge

In the fight against climate change, business decarbonisation is part of a larger strategy. We therefore prioritise the environmental awareness of our public through communication campaigns, training activities and corporate volunteering.

As an example: in 2021, several volunteer employees and their families planted 500 trees on moorland in Perales del Alfambra, Teruel, one of the areas most affected by deforestation in Spain. This is the first step in the development of a much larger forest mass, the Prosegur Forest, in alliance with the ReTree technology development company.

Thanks to the algorithms trained with artificial intelligence and the monitoring technology developed by the start-up, our employees will be able to consult the positive impact on the environment online, with specific indicators such as the amount of CO2 captured by the trees. Environmental benefits are increasingly closely linked to social. In this sense, the forest could offer the inhabitants of the area an ecosystem and green areas that contribute to the rural economy.

More energy efficiency

At Prosegur, we are developing several efficiency initiatives that will eventually be extended to all the countries in which we have business activity. These are the most outstanding:

- **LED lighting.** Although since 2015 we have developed a global plan to replace lighting with LED technology, we have set ourselves the goal of achieving 100% efficient lighting in the next three years. In the first phase of this new project, the Madrid-Vicálvaro Delegation (Spain) will reduce total energy consumption by 30%. A second phase will complete the installation of lighting in 19 locations in Spain and Portugal, with a potential impact of reducing the carbon footprint by 35% in total consumption, a potential reduction of 50% in electricity consumption and an environmental impact of 225 tons of CO₂.
- **Photovoltaic self-generation.** We have followed in the footsteps of the pilot programme started in 2020 with the installation of photovoltaic solar panels in 15 Prosegur Cash branches in Brazil. During 2021, we extended this line of action to Europe. The Madrid-Vicálvaro Delegation will serve as a laboratory to generate its own renewable energy through photovoltaic solar panels, with a potential reduction in the carbon footprint of 348 tons of CO₂ and self-generation of 15.4% of the total energy demanded. The plan is for it to be replicated in ten Spanish and Portuguese buildings to self-generate an average of 25% of the energy demand.

In Spain, these actions will entail a foreseeable improvement in the energy certification label of the linked properties.

More ecological, agile and urban mobility

We have been advancing for years in assuring the sustainability of our heavy and light vehicle fleet. In renovating, we choose vehicles in consideration of compliance with the Euro VI legislation, lower fuel consumption and the least direct emissions of CO₂ possible. In 2021, 440 vehicles with ECO or ZERO environmental category were available, with 100% electric, Ethanol, LPG, Hybrid or CNG engines, depending on the country and the ease of their implementation.

Similarly, we have continued to implement the shared fleet model in Spain, now for the fourth year, by means of which a broad group of users, through a reservation platform managed in their smartphone terminals, access this to reserve the use of a fleet of ecological vehicles by time slots. This model is designed to cover mobility needs based on use.

At Prosegur Cash, we have continued making progresses in the policies promoted at the global level to control fuel consumption establishing, among other measures, armoured vehicle fuel reduction goals at the operating base level. Likewise, 334 armoured units have been deactivated as part of a permanent renewal plan for the heavy fleet, identifying those vehicles that have higher fuel consumption due to their age or state of preservation, in order to reduce the impact on the carbon footprint and streamline the variable costs of the fleet.

Two pilot projects started in 2021 will improve the environmental impact of our vehicle fleet:

- Research and development of new, lighter materials for armoured vans to reduce consumption and streamline their urban operations: one 3.5-ton and 100% electric, and another 5.5-ton, which will first be used in the Iberian Peninsula.
- Hybridisation of armoured vehicles with more ecological LPG (liquefied petroleum gas) engines, less polluting than diesel or petrol engines.

These efforts come in addition to the pilot initiatives of 100% electric armoured vehicles implemented in Germany in 2020 and hybrid armoured vehicles with a 110 HP EURO VI thermal engine and a 40 KW electric motor and ECO environmental category already operating in Spain.

We have also maintained our collaboration with different companies in the automotive sector, universities and scientific research centres to seek a collaborative environment that allows the achievement of new sustainable mobility solutions. In particular, we contemplate the designing of armoured vehicles with alternative fuel engines, such as green hydrogen and other renewable sources.



Recycling and circular economy

At Prosegur, we aim to extend the life cycle of products. To do this, we are carrying out a plan to transform traditional operating material into more sustainable and ecological solutions.

We want to keep waste to a minimum and ensure that the materials we use in the products remain in the economy wherever possible. Therefore, as for used tyres, we perform a standardisation process with suppliers to ensure recycling is duly guaranteed.

At Prosegur own workshops in various countries in LatAm, the manner of collecting tyres is established to ensure they are properly recycled. We also have a waste producer registration license for our workshops in Buenos Aires (Argentina).

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

Likewise, we are progressing in reducing the plastics consumption. We have incorporated sustainability requirements for the bags used in cash transport services at Prosegur Cash, replacing those traditionally used in Europe (made with virgin polymer material) with more sustainable alternatives made with recycled material (post-consumption recycled polyethylene). The main suppliers have the European Natur Cycle and Blue Angel Certificates. Additionally, we are moving forward with the innovative project to create the first compostable cash-in-transit bag made from 100% biodegradable materials.

We contribute to reducing toner and paper waste linked to printing services through a

new country-homogeneous global printing model that allows the control and monitoring of associated policies. Together with the progressive implementation of teleworking and the digitisation of administrative processes, we favour a very significant reduction in the consumption of these materials. Likewise, we work to define a global waste management process with suitable containers to deposit different waste or residues such as cardboard, plastic, batteries and scrap.

Moving towards a more circular economy not only generates benefits such as reducing pressure on the environment, but also in social aspects. This is the case of our uniform, which has been designed with eco-design criteria to extend its useful life. Prosegur operative uniforms are distributed centrally for all Europe from the warehouse that we manage together with the Aprocor Foundation in Madrid (Spain), thus fostering the inclusion of individuals with disabilities. A circular management is applied that includes direct logistics, reverse logistics and garment recycling.

At 31 December 2021, hazardous and non-hazardous waste managed amount to 116 tonnes and 1,714 tonnes, respectively (2020: 94 ton and 1,831 tons respectively).

Measures aimed at minimising water consumption

Our activities are not intensive in water use. We are nevertheless conscious of the enormous challenges facing the planet with regard to this scarce commodity.

This is why we verify the consumption of cubic metres of water per occupied square metre and

resident users, to assess any discrepancies that may indicate poor consumer habits in general or undetected failures.

In addition, the number of vehicles will be included as a variable in LatAm countries, for comparison with possible inefficient water uses.

5.2. EUROPEAN TAXONOMY ON SUSTAINABILITY

When can it be said with certainty that a business activity is sustainable from an environmental point of view? The answer to this question is not simple and, in fact, the lack of a criterion that specifies the degree of sustainability of a project is considered a strategic barrier to sustainable development. The objective of the European Taxonomy that is part of the Sustainable Finance Plan of the European Union is to remedy this deficiency in the following way:

- By establishing the criteria and guidelines for measuring the degree of sustainability and unifying the reporting systems to facilitate comparisons.
- By helping investors to make decisions and companies to better plan their sustainable transition, as well as the information they disclose.
- By allowing business projects to be aligned with major environmental agreements such as the Green Deal or the Paris Agreement.
- By contributing to financing the transition towards a carbon-neutral, resilient and sustainable community economy.

5.2.1. Introduction to taxonomy

One of the most important goals of the EU Action Plan on Sustainable Finance is to direct cash flows toward sustainable investments. Within this context, the EU Taxonomy Regulation entered into force in mid-2020, establishing some new obligations with which companies must comply.

Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment (hereinafter,

'Taxonomy' or 'the Regulation') seeks to serve as a standard and obligatory classification system for determining which economic activities are considered 'environmentally sustainable' in the EU.

The EU has currently published a catalogue of sustainable activities that address two of the six environmental goals that will be available: the mitigation of climate change and the adaptation to climate change. Companies should therefore report annually on the classification of their

activities as 'environmentally sustainable', in accordance with EU Taxonomy. This will require an initial distinction between Taxonomy-Eligibility and Taxonomy-Alignment.

It is first necessary to examine whether or not an activity is described in Annexes I and II to the Commission Delegated Regulation (EU) 2021/2139, since only those activities are eligible for Taxonomy.

A second step requires an analysis on whether the activities previously identified as eligible for Taxonomy may be considered aligned with Taxonomy and, therefore, 'environmentally sustainable'.

In 2022, using data corresponding to the 2021 report, in accordance with the reduced reporting obligation granted by the EU, only the proportions of activities eligible and ineligible for taxonomy must be published in terms of turnover, capital expenditure (CapEx) and operating expenses (OpEx). Since this is the first year in which this exercise is performed, it should be considered that prior data are unavailable for comparison.

Subject matter and scope

In accordance with Article 1.1, Regulation (EU) 2020/852 applies to companies that are subject to an obligation to publish a non-

financial reporting statement or consolidated non-financial reporting statement in keeping with article 19(a) or article 29(a) of Directive 2013/34(EU) of the European Parliament and of the Council, respectively.

In accordance with these regulatory obligations, Prosegur Compañía de Seguridad, S.A. is obligated to comply with Taxonomy and to report the specific Key Performance Indicators (hereinafter, 'KPI') on the eligibility of its activities.

Therefore on the basis of an integral analysis of its economic activities, Prosegur Compañía de Seguridad, S.A. provides the proportion of turnover/capital expenditure (Capex)/operating expenses (Opex) eligible for Taxonomy in their respective totals for financial year 2021.

This process includes the analysis of the company's percentage of Turnover, Capex and Opex at the consolidated group level for all divisions, companies and subsidiaries. The structure of the Prosegur Group by business is as follows:

- Security
- Cash
- Alarms
- Cipher (cybersecurity)
- AVOS

5.2.2. Main results

During the 2021 financial year, Prosegur Compañía de Seguridad obtained a total turnover of EUR 3,465,904,403, with a total Capex of EUR 144,136,600 and a total Opex of EUR 148,870,119.

Following the analysis, the following percentages of eligibility and non-eligibility were concluded in accordance with Regulation (EU) 2020/852.

KPIs for Prosegur in 2021

KPIs	Climate change mitigation	Climate change adaptation
Eligible turnover (%)	28.58%	28.58%
Eligible Capex (%)	4.20%	4.20%
Eligible Opex (%)	21.13%	21.13%
Ineligible turnover (%)	71.42%	71.42%
Ineligible Capex (%)	95.80%	95.80%
Ineligible Opex (%)	78.87%	78.87%

5.2.3. Qualitative information

In accordance with point 1.2 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, in the 2021 financial year non-financial entities should report the following qualitative information.

5.2.3.1. Accounting policy

Next is a description of the manner in which the turnover, investments in fixed assets and operating expenses were determined and how the numerator and denominator for each indicator was assigned.

To this regard, to calculate the amount and percentage of eligibility of the Prosegur activities within the various indicators, the total amount was taken of the specific Turnover, Capex and Opex amount required by regulation for eligible activities: vehicles related to activity **6. Transport and data centres** related to eligible activity **8. Information and communication**. To report Capex and Opex ratios, purchases of assets and processes or services were assessed and it was considered that if they are essential for an eligible activity in particular, they are likewise eligible.

In the case of the Turnover indicator, the accounts are identified on the basis of the Delegated Regulation (EU), within ordinary income for the year, that comprises the company's Turnover. No income from other Group companies, grants or donations, among

others, are considered. Once this figure is obtained, it will be the denominator for calculation of the Turnover, the eligible income is taken, as part of the Prosegur income, that will be generated by the Cash, Alarms and Security businesses (see the details below in the section on 'Assessment of compliance with Regulation 2020/852').

To calculate the Capex, an analysis is made of the joint project reported for all businesses of the various countries, whose total amount is taken. In this case the accounts are divided into two main groups, 'clients' and 'infrastructures', which are in turn divided into sub-categories that are itemised differently according to the COCE (Cost Centre) and business to which they belong. This figure is the indicator's denominator. To obtain the numerator, all eligible activities are taken into account (see the details below in the section on 'Assessment of compliance with Regulation 2020/852').

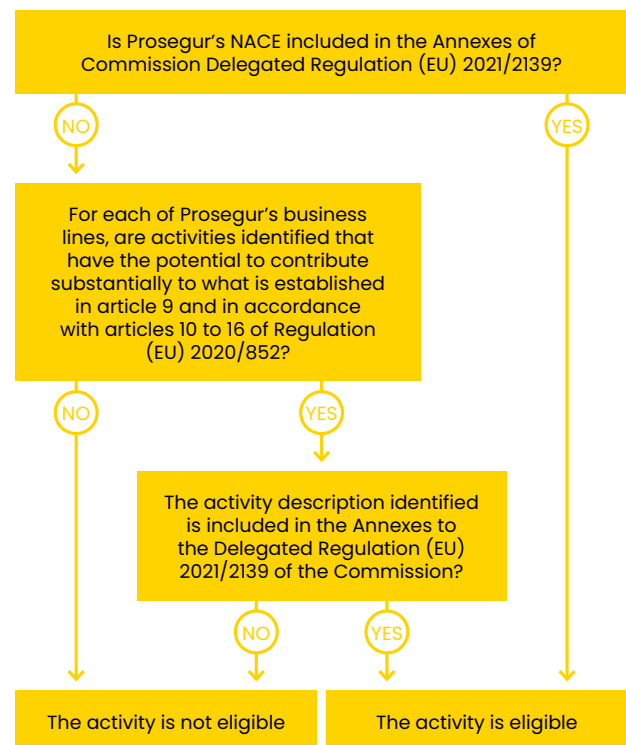
Lastly, for the Opex, the accounts are identified on the basis of the Delegated Regulation (EU) whose type corresponds to expenses in research and development, renovation of existing buildings, short-term lease expenses and maintenance and repairs or expenses that ensure proper asset operation. Once this figure is obtained, which will serve as the denominator for calculation of the Opex, the amount of the numerator should be identified, which is the sum of operating expenses of the Prosegur eligible activities (see the details below in the section on 'Assessment of compliance with Regulation 2020/852').

In order to prevent counting those activities twice, the organisation has established supervision and control measures necessary to ensure the consistency and reliability of the process to extract and transform the information, and by doing so guarantee the integrity and traceability of the information from its source through the reporting of the calculated indicators. To do so it has defined the appropriate responsibilities and mechanisms for segregation of duties that enable supervision of the process tasks, as well as to ensure the uniformity of accounting criteria used and avoid any duplicity in the assignment of inter-company activities or relations in the various indicators.

5.2.3.2. Assessment of compliance with Regulation (EU) 2020/852

In accordance with point 1.2.2.2 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, Prosegur performed an analysis to determine whether any of its activities are included among the activities described in Annexes I and II of Commission Delegated Regulation (EU) 2021/2139.

Despite the fact that Prosegur's main activity is identified with NACE code N80.19 (Private Security Activities), and this activity is not included in any of the above documents, the Prosegur Accounting department has identified a series of transversal activities that are eligible and included as potentially sustainable activities covered in Regulation (EU) 2020/852. The following logical sequence was used for this identification:



To assess compliance by the description of the activities identified in the Annexes to Delegated Regulation (EU) 2021/2139, specifically regarding '6. Transport', the model was considered in terms of vehicle use (lease, ownership...), vehicle type, characteristics, fuel and the Prosegur business area to which it is assigned. This makes it possible to conclude whether the various vehicles comply with the descriptions of the major activities:

- a. 6.4.- Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.
- b. 6.5.- Purchase, financing, renting, leasing and operation of vehicles designated as

category M1 and N1, or L (2- and 3-wheel vehicles and quadricycles).

- c. 6.6.- Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI (242), step E or its successor, for freight transport services by road.

In the case of the security operations centres (SOC) included in the Cipher business, this area is considered eligible in keeping with activity '8.1 Data processing, hosting and related activities': Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.

In keeping with the results of this analysis, it may be concluded that the predominantly eligible activities by business line are:

Business line	Description of the identified activity	Activity number included in Regulation (EU) 2020/852*	Description of the activity number included in Regulation (EU) 2020/852	Mitigation goal (Annex I)	Adaptation goal (Annex II)
Cipher (cybersecurity)	Activities for rendering cybersecurity services, including data processes, aimed at ensuring the security of assets and persons.	8.1	Data processing, hosting and related activities	Yes	Yes
	Employee transport activities for technology installation and maintenance tasks	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes
Prosegur Alarms	Employee transport activities for alarm installation and maintenance tasks	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes
Prosegur Security	Employee transport activities for private security tasks	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes
	Personal mobility activities for on-site surveillance services	6.4	Operation of personal mobility devices, cycle logistics	Yes	Yes

Prosegur Cash	Activities related to the cash-in-transit service and armoured vehicle operation.	6.6	Freight transport services by road	Yes	Yes
	Employee transport activities to perform tasks.	6.5	Transport by motorcycle, cars and light commercial vehicles	Yes	Yes

**Additionally five vehicles will be considered eligible in keeping with activity 6.7 Inland passenger water transport. This is not included in the above table, as it is not considered significant.*

5.2.3.3. Contextual information on eligibility indicators

In keeping with point 1.2.3 of Annex I to the Commission Delegated Regulation supplementing Regulation (EU) 2020/852, the informed results of the key indicators reported under 'main results' are set out, specifically the criteria applied and assumptions reached:

Turnover

This considers the income generated for the transport activities considered eligible as set out above. This income derives from the following businesses:

- a. Security, obtained from the mobile surveillance figure at year-end,
- b. Alarms, choosing the amount that corresponds to the number of additions during the year per average income, for each country, since it is the only sale assignable to vehicles with the exception of Spain, where they are equity-accounted and therefore ineligible,
- c. Cash, taking the income generated by direct transport reported for the year, and a percentage of income from new products, deriving from the use of transport for the new businesses but for which transport is not their main source of income.

Capex

Starting from the 'Capex cube' that includes the amount of the indicator for the entire company, it identifies the following:

- a. the transport activity is composed of the 'traffic and fleet' and 'armoured vehicle' business lines that are chosen in their entirety, less: the amount that corresponds to PGA (support company), since it is not a business unit; and the amount of the alarms business for Spain, which in this case is zero,
- b. for the data centre activity, composed by cybersecurity in its entirety, the total Capex is chosen for the business during the year.

Opex

For the transport activity, all vehicles that were active sometime during 2021 were analysed, selecting those that were under a 'leasing' or 'renting' agreement, therefore entailing an operating expense. Following currency translation into Euros, the months that the vehicles were active during the year and the monthly amount entailing a monthly expense was calculated, in order to obtain the Opex amount. Lastly, the amounts of PGA (support company), Prosegur and the Foundation are subtracted, since they are not business units; and Alarmas España, for the reasons cited above.

In terms of the data centre activity, which corresponds entirely to the cybersecurity business, all expenses associated with this business are selected, contained in the income statement for the year. 'Coming together is a beginning. 'Keeping together is progress.

6

Social



6. SOCIAL

'Coming together is a beginning. Keeping together is progress. Working together is success', Henry Ford, United States, businessman and entrepreneur.

The past financial year stands out as a period of favourable evolution in terms of social and labour concerns. In 2021, we perfected the selection and loyalty of the talent we need to advance in line with emerging social values, such as equal opportunities or the fight against any kind of discrimination, among others.

Despite a particularly difficult economic and health context, we focused this adaptation in 26

such diverse countries from various fronts. For example, on the training of our staff in general and through digital channels in particular, the promotion of teleworking that contributes to the family-work balance and, of course, respect for labour rights and commitment to human rights. And not just at home but in any other organisation where we can influence, even beyond our supply chain.

6.1. EMPLOYEES AND PROFESSIONAL DEVELOPMENT

At Prosegur, we understand our relationship with our employees as an agreement of mutual benefit and long-term vocation with a direct impact on the quality of the service we offer.

Therefore, our selection of talent, in addition to technical training, prioritises a high level of ethical values and essential human qualities for the protection of goods and people, such as a sense of responsibility, honesty, and psychological maturity.

Investment in the best possible human capital for our ethical and professional commitments is undoubtedly the basis of success that we measure with client satisfaction. Taking care of this investment therefore implies a process of continuous improvement in the selection processes, first to find the most suitable people and then to maintain their long-term loyalty.

Leadership Model, the pillar of talent management

In 2021 we strengthened this process of permanent improvement by adapting our dictionary of competencies (employees' personal and professional qualities) to the principles of the Leadership Model common to all countries. This implies a leap forward, since this model can be considered the backbone of our talent management.

The goal is to enrich the workforce with the best people available. How? Through a structured, standard selection process and with the same evaluation criteria based on homogeneous and thoroughly detailed information on the candidates.



The basic pillars of our leadership model include passion for clients, team spirit and results orientation.

Thus, the five basic principles of the model guide the personal behaviour and professional performance of all employees, regardless of their activity, business, country or hierarchical position. Namely:

- Passion for clients.
- Results orientation.
- Transformation and innovation.
- Responsibility and commitment.
- Team spirit.

These principles give rise to the following management tools that Prosegur has implemented to optimise the performance and harmonious operation of our teams:

- Performance evaluation. This allows employees of the structure group to self-assess and to create a space for dialogue and feedback with their managers, in order to establish development plans.

- 360° evaluation of the Management Committee that complements the previous assessment, including evaluation among colleagues and direct collaborators to gain a panoramic view of our first-line managers.
- Talent reviews of the key management group. After identifying direct supervisor strengths and specific points to improve, we design the tailored development plans and ensure succession plans.
- Assessment Plans. Carried out ad hoc for specific groups at the request of the different businesses. They are carried out through the Panorama analysis tool, with the aim of identifying employee strengths and areas for improvement and designing tailored development plans. As an example: in 2021 we carried out an assessment for the group of Prosegur Cash business delegates, in which 337 employees in 19 countries participated.
- We implemented predictive selection tests in Spain that improve the fit of key job profiles. In the case of security guards for the Prosegur Security and Prosegur Cash businesses, the use of these tests made it possible to reduce rotation by 13%. And in the selection of hunters for Prosegur Alarms, they contributed to a 32% increase in passing the test period.
- We have improved the curricular enrolment, selection and onboarding processes (the step from candidate to employee) through the Alta Digital tool. This allows applicants to self-manage all the necessary information in a simple and intuitive way, avoiding trips to the offices, making Human Resource management more efficient and deepening digitisation from recruitment to contracting. It is already implemented in Argentina and Brazil, is advancing in Peru and is planned for deployment in Portugal and Spain in 2022.

Technological solutions for the selection of talent

In 2021, we strengthened the personnel recruitment and selection systems through technological tools integrated into the company's process of digital transformation, and therefore of its workforce:

- The curricular robotisation processes; in other words the qualitative use of intelligent analysis technologies to screen applications, improve the experience of both candidates and employees and optimise recruiter handling.
- In a context of a prolonged pandemic, teleworking and digitisation, 88,512 candidates have used the deferred or live video-interview platform, which provides a useful solution to get to know the applicants better and enhance our employer brand image.

88,512 candidates to join Prosegur have used the video-interview platform in their selection processes.

6.1.1. Training

We are convinced that our main asset, human capital, is revalued with the highest possible quality in qualification and degree of professional specialisation. That is, with training as a differentiating factor and to be up to a mission as sensitive as protecting our clients' assets and personal integrity.

This conviction translates into a commitment: to deploy a continuous, diverse, multi-platform training model across the company, specialised according to each business, which aspires to excellence and not only improves employees' ability in their specific positions, but stimulates their proactivity to bring ideas, put them into practice and open new professional paths. These objectives materialise in the following initiatives:

Prosegur Corporate University

It is a virtual space developed on Cornerstone's LMS (Learning Management System) platform, accessible from any connected device or mobile and integrated into our company's intranet. At the Prosegur Corporate University (UP), professionals from any line of business share knowledge, good practices and experiences, develop their talent through different training tools, deepen their immersion in corporate values, improve their performance and prepare for accelerated changes of the sector, the market and society.

Its catalogue of courses is aligned with the company's professional development plans, varies according to the needs and requirements of each country and focuses on employee self-management. The platform was renewed in 2019 with new resources and tools, and in 2021 we increased the number of active users by 40%, we integrated new educational applications to improve the learning processes and we completed the catalogue with leadership courses such as 'Talent management', 'Agile team management' and 'Learning to delegate'.

Global training plan for structural employees

In the past year we also launched a training programme as part of the Human Resources department's global strategy, aimed at the structural groups of 23 of the 26 countries where we operate, with content on Sustainability Awareness, Information Security, Property Intellectual, Innovation (Internet of things or Products of the future), Agile Mentality (agile methodologies, Kanban method and continuous improvement) and Change Management, as well as specific subjects for each business with a client-centred vision.

The Plan is designed to support the company's Perform & Transform strategy and in 2021 it achieved a new milestone by extending to the Asia-Pacific region, Germany and the United States. In total, more than 12,000 structural employees completed 130,000 hours of training during the year.

New record in online training

Not only have we broken the record for online hours studied in one year at the UP, we have pulverised it by going from 643,000 in 2020 to 1,064,728 hours in 2021, with an increase of 66%. What is the reason for such a jump in scale? To a large extent, the reason is very well received two projects from the Talent Team in Brazil: a pioneering Diversity and Inclusion (D&I) programme and a didactic and prescriptive itinerary with 16 business acumen courses aimed at the entire workforce, such as regulatory compliance, corporate culture and practices, management skills, and work management.

The online training model matures along with the company's digital transformation process. In this sense, during 2021 the impacts of virtual and face-to-face training were balanced and e-learning design skills were notably improved.

In 2021 we increased the time spent on online training at the Prosegur Corporate University by 66%, to over a million hours.

Local and global management at the same time

Another of the milestones in the process of continuous improvement last year was the management and planning of the entire training online and face-to-face training programme by the specialised teams of each country and according to the specific needs of businesses and clients. This proximity management allows content to be personalised based on what the local market is asking for at any given time.

Each country develops a strategy that combines the advantages of the local and the global. On the one hand, it has its own training team that, based on their knowledge of the terrain, defines needs and responses for their case. At the same time, it supports the company's overall vision and makes use of the synergies with the global training team. In this sense, the Corporate Management coordinates some general training actions that any employee can follow through the online training platform. For example, those of regulatory compliance or the Global Training Plan for structural employees.

In 2021, we also contributed to employees' professional and academic training by offering facilities for them to pursue higher education. Law or Business Administration and Management studies in Spain, through the Layret Foundation, serve as examples. In this case, the Layret Foundation makes it easier for the syllabus to be compatible with working hours and video conference class attendance, and at Prosegur we offer the possibility of taking the exams at the company's facilities to save time and travel. Furthermore, in Brazil we awarded 59 partial scholarships for university studies related to business and areas of specialisation for employees having done at least one year at Prosegur. Finally, Argentina opted for an aid programme with preferential discounts at leading private universities, in addition to scholarships that cover 75% of postgraduate studies or master's degrees in business administration (MBA). In 2021, we awarded five scholarships of this type in this country.

In total, the training provided during 2021 added up to more than two million hours, which represents an average of 14.4 hours per employee and a growth of 7% over the previous year.

6.1.2. Remuneration

Our pay systems always meet the corresponding labour legislation, although they may vary with the market context and the company's financial situation. From this preamble, the pay policy meets the following general principles:

- It must be competitive enough not only to attract, but also to retain the best talent. We also take into account the search for professional motivation and direct this stimulus towards business results through variable pay for the management group and key positions in the short, medium and long term.
- It must align with internal equality, as well as comparable market practices and conditions.
- It must take into account the economic situation of the company both at present and in the medium and long term to define the pay schemes and evolve towards a model with a greater proportion of variable remuneration.
- It must apply controls to ensure compliance with the pay policy and to guarantee non-discrimination by gender, race or age.
- It must include evaluations of worker performance (both that of the senior management and the rest of the workforce) that link remuneration to specific objectives, including those of sustainable development.
- It must promote a flexible remuneration system that adapts to the different interests of the employees with both salary and non-salary benefits.
- Finally, the salary structure contemplates a fixed remuneration in accordance with the legal guarantees, living standards and labour practices of each country, and variable remuneration for most of the

groups linked to specific objectives and meritocracy.

An external supplier audits the system for the evaluation of the different jobs based on objective criteria such as responsibility, impact or scope of action, among others. We thus guarantee that the remuneration of all our staff conforms to local salary bands completely free of any type of discrimination.

This is what variable pay is about

We apply different plans according to the functions and responsibilities of each group:

- DSO. An objectives plan linked to the performance of the most operational teams based on absenteeism ratios, efficiency in services, etc.
- PIC. An incentive plan for commercial groups.
- DPO. An annual bonus plan for structural personnel.
- ILP. A long-term incentive plan aimed at management personnel and linked to different strategic objectives, such as increased sustainability. In some cases, the participation is associated with concrete values of specific units of the company.
- Additional plans for specific groups that align teams with the company's objectives and strategies.

Remuneration to Senior Management and the Board of Directors

The average pay of directors in 2021 was EUR 275,486 (in 2020 it was EUR 249,631 on average). By gender, it breaks down as follows:

- Women: EUR 377,005 on average, including the President. In 2020, the pay stood at EUR 281,869.
- Men: EUR 246,480 on average, including the Managing Director, whose remuneration this year rose to EUR 238,885.

In 2021, the average pay of senior management stood at EUR 269,556, while in 2020 the figure was EUR 292,517. By gender, it breaks down as follows:

- Women: An average EUR 144,430.
- Men: EUR 290,410 on average.

In all cases, the calculation considers paid fixed and variable remuneration as well as allowances and remuneration for being on committees.

The average pay of our directors in 2021 was EUR 275,486 (broken down by gender, EUR 377,005 for women and EUR 246,480 for men).

6.1.3. Employee relations

The company's relationship with its workers in all countries is governed by principles of justice, fairness, dignity and respect. To ensure compliance, it builds this relationship on three pillars: offering the best working conditions, giving a voice to both employees and their representatives, and applying proactive management that ensures productive and stable labour relations.

We have strong local labour relations teams that guide employee relations around these principles. From the corporate department, the different practices are accompanied and supervised, always with respect for national legislations.

We have deployed new digital management tools to support the management of these teams. Specifically, in 2021 we implemented the innovative litigation tool in Argentina, Chile, Paraguay, Peru and Uruguay, after the success of its application in Spain and Colombia in 2020. The solution has been designed and developed within the company to:

- Automate various tasks in the management of litigation and work inspections.
- Register all work files in a single repository.
- Carry out exhaustive country-by-country traceability.
- Apply strategic analyses that detect areas for improvement and proactive actions to reduce labour conflict.

Work conditions and social dialogue

2021 marks a new milestone with the publication of the Global Policy on Working Conditions and Social Dialogue, which develops the commitment included in the Corporate Human Rights Policy for decent working conditions in all company activities.

This new strategic document:

- Reaffirms strict compliance with the law in all jurisdictions where we operate.
- It considers the different economic and social conditions in each country, as well as the different legislative frameworks and labour relations systems.
- From adaptation to this specific reality, it establishes the basic principles and practices in working conditions and freedom of association, and extends them to all processes according to the international guidelines that regulate these matters.

Our labour relations policy encourages more agile and flexible ways of organising work to contribute to work-life balance. As part of the intense digital transformation of the company, it addresses aspects such as digital disconnection and promotes hybrid models that alternate face-to-face work in the office with teleworking from home (provided the specific functions of the job allow it), which brings different benefits for the employees, the company and society: for example, the saving of resources, time and travel expenses and the contribution to decongesting cities and reducing polluting gas emissions.

All these measures come with others that make working hours more flexible, improve visibility over schedules and guarantee weekly and monthly breaks, in addition to those linked to maternity and paternity.

The employee satisfaction benchmark

We believe that the entire labour policy would be incomplete without the assessment that its main protagonists, the employees, make of it.

We have a programme that analyses the opinions of professionals, assigns ratings above or below their expectations and identifies both the areas for improvement and the initiatives that bring them the most satisfaction, and which therefore most increase the degree of engagement or sense of belonging to the company.

In order for the assessment to be as accurate as possible, we apply the eNPS (employee Net Promoter Score) methodology as a standard indicator, which also guarantees anonymity in order to avoid bias. It poses a single unequivocal question: 'Between 0 and 10, to what extent would you recommend working at Prosegur to a friend or relative?' The indicator value is calculated by subtracting the percentage of proponents (only those who gave scores of 9 or 10) from that of opponents (those who gave scores from 0 to 6).

Another strength of the model is its frequency: the questionnaire is sent each day to a certain group of professionals until it covers the entire workforce in Argentina, Brazil, Chile, Spain, Paraguay and Uruguay and each person takes part twice each year at most. Measuring the results in real time makes it possible to understand the relationship between employee satisfaction and important events that have occurred in the company or in its environment.

We are talking about the voice of the employees and a way to evaluate the company from a genuine personal opinion. In other words, it is key information that, when analysed, allows us to prioritise urgent initiatives or define specific action plans. For example, the continuous improvements in the Prosegur Corporate University, new functions in the employee mobile app or the teleworking policies for reconciling work and family, all carried out during 2021.

In fact, this model of labour relations has contributed to Prosegur receiving the following awards in the past year:

- Human Resources Forum Award for Risk Management of Employees Abroad (Spain).
- Cegos Award with E&T for Best Practices in the Development and Learning Category for the Innovation Immersion Programme (Spain).
- Comenius EduMedia Award 2021 - Scanner-Support App (Germany).
- EU Excellence (India).
- Great Place to Work (India).

But the main award for the company is undoubtedly the positive view of our people. At the end of 2021, the average assessment exceeded 61 points when this value in all Spanish companies in 2019 stood at 18, according to the latest Employee Experience Barometer published by the Centre for Human Resources Studies of the Business Institute.

If we refer to team satisfaction, we also talk about generating the framework of trust necessary to express it. We believe it is essential to maintain constant contact with employees to share information and understand their needs. This two-way communication also makes it possible to promote corporate values, the company's social purpose and the sense of belonging to the same corporate culture.

With these objectives, in Human Resources we promote different channels such as the global intranet and its mobile application that receive requests from the teams. In 2021 we updated it with a more intuitive, manageable and scalable interface for new solutions to be added. It includes key functions such as salary viewing, access to the Prosegur Corporate University, and, depending on profile and location, work quadrants or contact with the Operational Management Centre for Prosegur Security guards, among others. Other developments

were additionally added this year, such as access to social benefits, advantages for employees, welcome plans or information about the Prosegur Foundation.

Its status as a multitasking tool with growing utility explains why during 2021 more than 100,000 users in 24 countries used the app, that is, 71% of the total workforce.

Collective bargaining processes

Our corporate policy recognises the fundamental right of workers to establish, participate in or join unions or other representative bodies without any type of interference, in accordance with Convention 87 of the International Labour Organisation.

In this sense, we hold frequent meetings with the workers' representatives and we start from the commitment to negotiate in good faith, in a constructive manner that respects the parties' independence to assume the commitments reached. We believe that this climate of trust and mutual respect, of active listening and dialogue, of willingness, contributes to understanding the positions of the parties until they agree on common objectives.

The result of this dialogue is specified in the more than 300 Collective Covenants signed, which affect 77% of the total workforce. During 2021, new covenants went ahead in Brazil, Colombia, Spain, Peru, Portugal and Uruguay among other countries, and labour conflict was considerably reduced, with the exception of Brasil and Peru.

If the evolution of the pandemic allows it, in 2022 we plan to resume the physical holding of the European Works Council. However, in 2021 we maintained fluid contact with the parties by telematic means.

6.2. RESPECT FOR HUMAN RIGHTS

We take an active position that protects and promotes sustainability criteria and human rights from all our activities. And we guarantee compliance with the United Nations Guiding Principles on Business and the obligations imposed by the International Labour Organisation in terms of freedom of association and collective bargaining, discrimination, forced labour and child labour, among others.

In 2020 we already developed the Human Rights Policy as the specific instrument that enhances the protection of human rights, which until then had been reflected in other corporate mechanisms such as the Code of Ethics and Conduct or the Corporate Social Responsibility Policy.

In 2021 we developed said Policy in independent instruments that assume specific commitments and detail the lines of action to safeguard them. Specifically, this year the Diversity and Inclusive Growth, Labour Conditions and Social Dialogue policies were approved, and a comprehensive review of the Occupational Health and Safety Policy was carried out.

Along these lines, we also joined initiatives such as those promoted by the UN Special Rapporteur on human rights defenders, and also the Inclusive Growth Observatory, at the invitation of the NGO Codespa.

Due diligence

Through our Human Rights Policy, we have systematised the management of Due Diligence (the measures or tools that allow identification, prevention, mitigation and accountability in respect of Human Rights) based on the continuous improvement cycle methodology, which sequences management in four phases:

- **Planning.** We evaluate and identify the company's impact on human rights and prepare a risk map to project the measures that allow us to meet our commitments.
- **Deployment.** We apply the measures defined in the planning phase. We not only involve all levels of the organisation, but also suppliers, clients and communities related to the company.
- **Verification.** We quantitatively and qualitatively control compliance with respect for human rights. This supervision task is performed by the audit and internal compliance committees.
- **Action.** We correct the human rights violations detected in any area and the processes that may be deficient or improvable.

Our risk management and control system also identifies the different types of threats, from operational, regulatory or business risks, to critical financial and reputation risks.

In addition to internal controls, we have voluntarily decided to be submitted to an external review by a specialised supplier every three years. The last evaluation (by KPMG in 2021) concludes that the company shows a high level of maturity in the protection, respect and fulfilment of its human rights commitments. Among its conclusions, it highlights that, of the 49 recommendations issued by the Due Diligence management in 2018, we have already adopted 67% and 27% are in process.

The Ethics Channel to report and resolve violations

On the other hand, our Ethics Channel is designed as an internal conflict resolution mechanism that allows any person, even from outside the workforce, to report a possible human rights violation safely and anonymously. Once said situation has been reported, the Internal Audit Department ensures equality between the related parties and independently and confidentially coordinates the management, investigation and resolution of the case.

This past year, in line with previous years, we have not received any complaints in relation to Human Rights breaches.

Specific training in human rights

In a previous section we talked about the importance of training in having the best possible workforce for business objectives, clients and, by extension, society. The same principle governs the defence of human rights, which is why we include this commitment in the Human Resources and Regulatory Compliance training plans. In fact, some compulsory courses include sessions on issues such as the control of aggressiveness and the use of force, gender violence, cultural diversity or human rights in the context of companies.

In 2021 we reviewed a good part of the training material to enrich it with the principles and spirit of the new Human Rights Policy. Following the strong momentum for this type of content in 2020, an additional 38,051 hours were taught in 2021, and all mandatory courses for office staff already include specific content on human rights.

6.2.1. Health and occupational safety

At Prosegur, occupational health and safety as a means of ensuring a decent, safe and healthy environment is a priority for all organisational levels. This responsibility begins with the management of the group, whose commitment materialises in the quarterly Health and Safety Committees, led by the management committees of the different business lines.

Here, the management of occupational risk prevention in each country and its indicators are analysed and supervised, initiatives are proposed and adopted, allocating the necessary resources to their implementation, and a specific analysis is made of all serious or fatal accidents that may have occurred.

In line with the Global Occupational Health and Safety Policy, revised in 2021 and applicable to all lines of business, its employees, activities and collaborators, Prosegur pursues the firm objective of reducing the accident rate to zero, by implementing specific objectives, actions and indicators that are included in its Global Standard for Occupational Health and Safety Indicators, and that are reviewed on a quarterly basis with the company's management.

Apart from the above, the Committee of Experts on Safety and Health, made up of experts in occupational risk prevention from the different countries where Prosegur operates, meets each week to identify needs, trends in the exercise of function and best practices. As a result of its sessions, various initiatives have been set up, such as the Global Road Safety Campaign developed in June 2021, which had more than 28,000 participants from different parts of the world.

Occupational Risk Prevention Management System

Prosegur's Occupational Risk Prevention (ORP) Management System is doubly reinforced. Beyond the corporate mechanisms mentioned in the section above, Health and Safety management is administered locally. For this reason, the company has experts assigned in each country, which guarantees both strict regulatory compliance in accordance with local laws, and a management close to the different work environments.

As a result of the above, Prosegur presents a large number of initiatives to improve workers' well-being both locally and as part of the corporate projects.

All of this is accessible along with the rest of the information on ORP through the Prosegur Intranet app, and the new operational tools developed thanks to digitisation such as the Prosegur Operative Security Platform (POPS), which offer employees all the updated information and send notifications focused on their well-being.

But the main guarantee in terms of systematic risk reduction is to give our teams detailed training on the potential threats they face and the necessary measures to prevent them.

As a result, in 2021 a 4.2% decrease was achieved in the incidence rate, compared to the 2% defined as the 2021 target.

This decrease is the result of the reduced number of minor accidents by 21% and 6% for serious ones and was also reflected in the 0.35% decrease in the frequency rate.

In a similar proportion, the severity rate decreased by 0.34%, which was negatively impacted by the increase in the number of fatal accidents.

A close monitoring and analysis of the indicators reveals that the main cause of serious and fatal accidents is vehicle-related, which is why

special emphasis has been placed on road safety awareness and control. Among the measures implemented, the Global Road Safety Campaign is worthy of emphasis, in which over 28,000 employees participated from all regions in which we operate.

Similarly, the prioritisation of health and safety is extended to relations with third parties according to the provisions of the 3P General Purchasing Standard. Prosegur therefore has solid systems for coordinating preventive activities, an essential tool to guarantee optimal working conditions throughout the supply chain and services received by the group.

This exhaustive management architecture is regularly subjected to internal and external checks and evaluations. Obtaining the ISO45001:2018, SRC Act 1988 Self Insurance or NORSOK-S-WA 006-2018/GTC 310:2000 certifications in 2021 is palpable proof of the success of our efforts in this area.

Health crisis

Lastly, as regards management of the health crisis, our company continues to be guided by a strict action protocol to prevent contagion in the work environment:

- The weekly Global Crisis Committee has been maintained to promote agility in decision-making and critical actions.
- There has been a gradual return to face-to-face activity in our offices, always depending on the epidemiological situation in each area, and maintaining teleworking for discretionary use by all staff whose duties allow it.
- The organisational redistribution of shifts and work spaces has been maintained to limit the number of people who come into daily contact in the course of their activities.

- We have made information and awareness campaigns, enabling digital tools for access control, facilitating the traceability of infections and giving agility to the various procedures as far as possible.
- At present we continue to use a hybrid telework system, alternating this with several days of in-office presence, for those types of position for which this is possible. The future projection is to continue this hybrid model, adapting it to the operating needs of the company.

6.2.2. Non-discrimination and diversity

Plurality, diversity and multiculturalism have been part of Prosegur's corporate identity since its inception, as befits a company with such large staff and presence in such different geographical areas.

In 2021, we updated this commitment by approving the Global Diversity and Inclusive Growth Policy, which serves as an umbrella for the different local equality instruments and plans where the main lines of action are specified to ensure equal treatment and opportunities within the company (work-family life balance measures, publishing of the harassment protocol, among others). Such is the case of the Spanish Equality Plan signed in 2021.

The policy focuses on the active promotion of equality, non-discrimination and the full acceptance of any person regardless of their nationality, ethnic origin, gender, sexual identity, age, marital status, political ideology, economic capacity or social condition.

Gender equality

The promotion of female employment is a pending issue in an environment as traditionally masculine as that of private security. According to 2021 data from the employers' association APROSER, only 13% of active security professionals in Spain are women. The figure has increased in recent years, but remains far from parity.

Prosegur, with 20.8% of female workers, presents data above the average for its field of activities, but we are not in a position to fall into complacency: accelerating the process of balance between men and women in our workforce is one of our main priorities in the field of gender equality and one of the strategic objectives of our Sustainability Master Plan.

Prosegur's main tool for attracting, promoting and developing female talent is our #EmpoweredWomen programme, based on three pillars:

- Raising awareness. We offer our staff training sessions on gender equality issues. The last, which had more than a thousand attendees, focused on the impact of unconscious biases.
- Acting. Our High Performance Women programme monitors the members of our workforce with greater responsibilities and more possibilities to develop in the company. Every six months, the Human Resources department reports its progress, skills acquired or challenges faced. The programme also includes specific ongoing training and safe spaces for sharing concerns and experiences.

- **Motivating.** The #EmpoweredWomen Scholarships, developed together with the Prosegur Foundation and open to all female workers regardless of their position, focus on operational personnel (guards, assistants, etc.) and bring training programmes to those women who have not had the resources, the time or the support necessary to access them. This gives visibility to their achievements and enhances their chances of internal promotion. The scholarship programme includes a quarterly accompaniment by women with a long career in the company.

This innovative programme began to be implemented completely telematically in the midst of the pandemic. A toll imposed by the circumstances that was, however, a great opportunity, since it facilitated contact between women from different geographical areas and very diverse operating units and business areas. Launched in Spain in 2021, #EmpoweredWomen is currently spreading to 16 countries in Latin America and Europe. In the medium term, it will be available in all the territories in which Prosegur operates.

Wage gap

In the analysis of this aspect, the company takes into account four main categories (Directors, Middle Managers, Analysts and Operations) and compares them with variables associated with specific geographical areas and the different lines of business. Taking these parameters into account, the salary gap at Prosegur currently stands at 9.4%, a figure fundamentally attributable to differences in remuneration in operating positions.

This calculation takes into account the diversity of the teams that make up our different lines of business, first analysing the salary gap registered in these teams and weighing it according to the number of employees in each one. Through the global compensation tool, the company has specific analysis reports by gender and wage gap that facilitate constant monitoring and allow salary variations that must be corrected to be identified.

Worker remuneration is adjusted in all cases to what is stipulated by law and what is specified in the Collective Agreements, without discrimination in any of the pay elements or conditions. Prosegur guarantees the objectivity of all items in the salary structure.

What's more, in 2021 we contracted an independent and specialised consultancy to audit the job levelling system, not only in order to guarantee pay equity as a whole, but also to ensure that any difference in pay is never due to a matter of gender, ethnic origin, age or any other circumstance that may lead to some type of discrimination. This first audit found no significant incidents.

Employment opportunities for people with disabilities

Prosegur has established a series of measures to boost integration of physically or intellectually disabled people in the labour market, offering them a more stable future through employment. The main activities in this sense were as follows:

- Inclusion of people with disabilities in our document digitisation processes, especially in the management of the large amount of paper generated.
- Gradual increase in the percentage of people with disabilities in our workforce and progressive expansion of the type of positions and tasks they can apply for in our company
- Active search for this type of professional profiles through our online job offers.
- Integration of digitisation services offered by disabled personnel in a technological area (our Robotisation, Excellence, Automation and Digitisation Centre 'CREAD'). Here, people with disabilities are placed at the centre of the operation, offering them the chance to move from routine tasks to performing tasks with greater added value such as the training of machine learning models. Prosegur has four Digitisation Centres in the world, in Brazil, Chile, Spain and Peru and here it employs 36 people with some type of disability. As relevant data, these centres have managed more than 34 million pages of the different departments of the company and there is a commitment not only to increase the volume managed but also to export this internal service to third-party clients who might be interested. The CREAD team was awarded the worldwide Innovation Excellence in Robotic Process Automation (RPA) award at the Blue Prism Awards.

- Finally, our company has a Special Employment Centre in Spain, fruit of the partnership between Aprocor and Prosegur to provide disabled people with employment opportunities. For a similar purpose, the 'CICLO' training centre in Brazil: a partnership between Prosegur and the São Paulo Association of Parents and Friends of the Disabled (Brazil).

Additionally, through the Code of Ethics and Conduct, policies that favour integration are promoted in a concrete and effective manner, especially with regard to contracting processes.

Prosegur guarantees all employees access to its facilities by adapting and improving accessibility to all the Group's operating and corporate buildings.

The total number of disabled employees in 2021 was 831 (2020: 819 employees). The medium and long-term objective is to fully integrate such people into our structure.

6.3. PURCHASES AND SUPPLY CHAIN

'If supply fails, activity ceases abruptly, like the music of an organ when it is deprived of wind', Frederick Soddy, UK, scientist.

At Prosegur, we have a Media Management Department that is responsible for organising the company's purchasing and supply processes and ensuring that they are carried out in a responsible and sustainable manner.

This Department is transversal to all the business units; it manages resources to optimise their efficiency and reduce costs, and projects these objectives on relationships with suppliers from the areas of Purchasing and Supply Chain; Fleet; Property and Service Management.

All services and goods are purchased in accordance with the new Purchasing Policy approved in 2021, a specific general, mandatory rule that will be applied to all purchases and contracts of goods and/or services, with the aim of ensuring a homogeneous sustainable supply policy, adequate expense management, process standardisation, protecting the company from unnecessary risks and ensuring legitimate use of company funds. In addition to the legal requirements in each country. In the same way, relations with suppliers are guided by the ABC supplier studio, which defines the strategies, identifies those most critical and determines the treatment according to that importance.

We are talking about key management for our sustainable behaviour given the volume of purchases and contracting of our company: more than 30,000 suppliers in 18 countries, with a large contribution to their economies since 85% of them are local, and in sectors as diverse as technology, fleets, building maintenance, travel, telecommunications, machinery, equipment, marketing or consulting, among many others.

Among this enormous mass of candidates, we prioritise the contracting of suppliers that meet criteria of sustainability and corporate social responsibility. We additionally ask them to subscribe to and promote the United Nations SDGs and to have some type of certification in ESG criteria. They must also accept, by contract, Prosegur's right to carry out an audit on them. In 2021, we have not advanced any audit process.

Furthermore, we include supplier management in our Code of Ethics and Conduct, and their selection follows criteria of independence, objectivity and transparency compatible with obtaining good business conditions. In this regard, we have defined a procedure for action in the event of any conflict of interest or possible fraud in the relationship between an employee and a supplier.

Purchasing and relationships with suppliers follow a process of continuous improvement. In 2021, we added additional sustainability criteria in line with the corporate strategy, we provided training in sustainable purchasing and delivered the first Annual Award for Sustainable Purchasing Initiatives and Projects.

Imminent improvements in management

To deepen the sustainability and gradual optimisation of our supply chain, since May 2021 we have been developing a new global supplier approval process. Alongside this, we improve risk management through assessment and rating tools based on business continuity, environmental impact, employment and contracting conditions, or the reputation of suppliers, among other criteria.

At the same time, we will start sales and operations planning (S&OP) as key support to decision-making across all supply chains. Together with process standardisation, automation and robotisation this new procedure will allow the efficiency, resilience and agility of the operations to be increased.

We are developing a new global supplier approval process that was launched in 2021 and will be progressively extended to all markets until 2023.

6.4. CONSUMERS

At Prosegur we aim to always meet the expectations of our clients and anticipate their needs through a friendly service based on transparency and a proactive approach.

In recent years, we have implemented a platform for B2B (Business to Business) clients, through which operational and administrative information is available in real time, which allows us to manage security for clients and streamline decision-making. The purpose is to ensure an adequate response to their requirements and maintain the traceability required for this.

These values of transparency and service are conveyed by all our employees, particularly those in direct contract with clients (sales staff, facility technicians, customer service or security guards).

We also have a CEM Client Experience platform. Its objective is to identify the action levers in order to continue improving the quality of the service. The high level touchpoints in the customer journey for our B2B clients include those relative to the selling experience, the service provision experience and the global experience, each with specific associated indicators.



For its part, at Prosegur Alarms, the main goal is to guarantee B2B as well as B2C (Business to Consumer) clients a quality security system where customisation and trust take priority. In order to be able to rigorously evaluate the quality of the service provided, we have implemented the 'Right Now' tool which is constantly improved and enhanced. This is used to measure client satisfaction with the service provided in five different touchpoints: Client service, service contracting, installation process, technical revision and alarm sounding/response.

Complaint channels and operation

For the claims that derive in Civil Liability, the usual channel is to make a formal claim exposing the facts and the amount claimed for the damages suffered. The salesperson sends the claim to the Legal department and this in turn and with the Risk Management area arranges the processing of compensation, if applicable.

For the rest of claims, there are multiple channels:

- Billing claims, received by the salesperson and resolved by the Prosegur Advanced Administrative Centre (CAAP).
- Operational claims for deficiencies in the operation, received by the salesperson or the operational department.
- Others.

6.5. PROSEGUR FOUNDATION

'No one who has set out to help his fellow man can say that he has failed in this world', Charles Dickens, United Kingdom, writer.

At Prosegur, we believe in people who improve the world. Human beings who share their efforts with others to build a more supportive, inclusive, ethical and sustainable society. With humility and conviction, we believe that what is to come depends above all on what we do today. We aspire to building the future.

In this spirit, at the Prosegur Foundation, a non-profit entity, we channel the company's social and cultural action, generating development opportunities for people. A commitment to the communities in which Prosegur operates, materialised through projects in the following fields of action: Development Cooperation, education, labour integration of people with

intellectual disabilities, corporate volunteering and the promotion of culture; seeking more innovative approaches every day to respond to new social challenges.

In 2021, at Prosegur Foundation we have developed projects in 14 countries on three continents (Argentina, Chile, Colombia, Costa Rica, El Salvador, Spain, Guatemala, Honduras, Nicaragua, Paraguay, Peru, Portugal, Singapore and Uruguay), progressively implementing the initiatives in the different countries under criteria of sustainability, transparency and replication of good practices.

A social work which, aligned with the United Nations 2030 Agenda for the fight against poverty, inequality and the defence of the planet, complements and strengthens our company's action in achieving the Sustainable Development Goals. Specifically in Quality Education (SDG4), Decent Work (SDG8) and Generation of Alliances (SDG17).

To carry out these projects, at the Prosegur Foundation we have a professional team headed by the President of Prosegur. The Board of Trustees is made up of representatives of the Board of Directors and the Prosegur Management Committee, who encourage social commitment and promote the institution's activities. Teamwork and continuous improvement processes govern the work, which aspires to be an area that generates shared value for society, the company and its stakeholders.

On an annual basis, the Prosegur provides the Prosegur Foundation the funds necessary for its operation. The contribution made by Prosegur to Prosegur Foundation in 2021 amounted to EUR 1,464,918.52 million.

The social work of the Prosegur Foundation complements and strengthens the action of our company in achieving the Sustainable Development Goals.

6.5.1. Our adaptation to the environment in 2021

Our innovative approach has been put to the test during the pandemic. Without a doubt, the most difficult context we have ever faced and with the greatest economic, labour and social impact; a human impact. Social challenges have evolved and, consequently, so has our response capacity.

In this context, we have developed new forms of collaborative work to continue responding to beneficiary needs, in order to be more efficient and scalable. Technological solutions such as online platforms and formats have been key in this regard: they have allowed us to keep educational or volunteer activities alive that could not be carried out as before, in person.

In short, the difficulties experienced have also been an opportunity to deepen our strategic and digital adaptation as a Foundation, prioritising agility, creating internal collaboration networks that break down silos and generating alliances with leading entities and entrepreneurs to achieve a more systemic impact.

6.5.2. Main actions in 2021

Against the educational gap

We believe in quality education as the most powerful tool to generate future opportunities. And for this reason, in 2021 we prioritised support for children and young people from the most vulnerable environments, to prevent the pandemic from opening the educational gap. Putting special focus on the students of our Development Cooperation programme, Picitos Colorados.

The 36 schools attached to Picitos Colorados in the six LatAm countries (Argentina, Chile, Colombia, Paraguay, Peru and Uruguay) and their 4,800 students, were seriously affected by the closure of the classrooms and the lack of connectivity and devices. To confront this sustained precariousness, which the United Nations has already defined as 'learning poverty', we promoted the following actions to ensure that no student was left behind:

- Workshops for headmasters and headmistresses, in alliance with the Teach for All international educational network, to improve institutional and pedagogical management in times of pandemic.
- Training through playful-educational primers with transversal contents of science, spelling, artistic drawing or emotional intelligence.
- Promotion of reading and digital skills in alliance with the Leer Foundation in Argentina.
- Computational thinking courses aimed at Peruvian teachers, to train them in the fundamentals of computer science and programming, which they then transfer to their students.
- First LatAm Writing Contest for Picitos Colorados, in alliance with Fundalectura. A transversal project that has developed

new learning methodologies, such as infographics and podcasts. The *Sueña tu historia, escribe tu futuro* (dream your story, write your future) initiative received 458 stories, from which an international panel chose 20 winners.

The Picitos Colorados scholarship programme allows students to continue their education beyond school, as is the case of Paraguayan Marlene Palma, an International Baccalaureate graduate from the United World School in Wales.

In addition, in 2021 we reinforced the accompaniment of the 41 Picitos Colorados students awarded scholarships for their talent in secondary school and university, so that they do not stop their training in this complex educational context. Thus, thanks to the alliance with the Asociación Conciencia entity, we have trained volunteer employees from Colombia and Paraguay as mentors. The aim has been to monitor scholarship students in their countries, to guide them with their experience, to support them in their projects and to strengthen their skills.

Students who, with the right tools, together with their abilities and effort, are called to be agents of change. This is the case of the young Paraguayan 'piecito' Marlene Palma whose talent brought her a scholarship from the Foundation to study the International Baccalaureate at Atlantic College in Wales (belonging to the United World Schools network). After graduating in May 2021, her outstanding performance brought her

a full scholarship to study Political Science at a university in the United States.

Bridging the digital gap

We refurbish the company's unused computers thanks to the work of professionals in the ICT (Information and Communications Technology) area, to give them a second life, reducing the digital divide that compromises the future of the most vulnerable people.

In 2021, we recycled and delivered nearly 400 computers to Picitos Colorados students in LatAm, to social integration centres and students at risk of exclusion in Spain, as well as to people with disabilities to support their employment.

Among the digital divide actions carried out in the different countries, which carried out in Chile together with the company B Kyklos stands out. The initiative transcended the educational impact on the students of Picitos Colorados, to add in the process of reconditioning equipment, the environmental sphere and inclusive growth. The computers are recycled by people with disabilities in an integration centre, where non-reusable components are destroyed following environmental criteria. A 'virtuous' circle or circular economy, thus exemplifying the triple impact.



Talent at the service of innovation

In a context of uncertainty, innovation is even more necessary to adapt and design creative solutions that respond quickly and appropriately to the needs of the moment.

Under this premise, collaboration with the Innovation area of our company has allowed us to continue discovering new, more agile and disruptive ways of working. In 2021, we applied

this joint action in two initiatives, aimed at both internal and external talent.

First of all, at the Foundation we joined the Prosegur Intrapreneurship and Ideation Programme, launching a challenge to discover the entrepreneurs within our organisation. Among all the proposals received worldwide, three 'changemakers' were selected, with the following projects:

- Development of infrastructures in vulnerable populations in Africa, designed by young talents from the ICAI University in Spain.
- A platform aimed at children, to bring the programming language closer in a playful and digital way.
- Entrepreneurship training to reduce the gender gap in STEM (science, technology, engineering and mathematics) vocations, by supporting girls' talent.

Regarding external talent, our action in 2021 was aimed at searching for innovative, digital and open corporate volunteering initiatives, which will mitigate the effect of the pandemic restrictions on our face-to-face model.

With this challenge, we join the 5th edition of Hunger4Innovation: an innovation programme that connects young university talents with leading companies and institutions from different sectors, to generate creative solutions to the proposed challenges, through a team competition. After 24 hours of intense remote work following agile methodologies, the jury chose the proposal from the In Extremis team as the winner. A solution that stands out for its disruptive nature when it comes to involving company volunteers globally in an online and gamified format, oriented towards security training issues.

We accompany talent and promote excellence

Since 2007, the Talent Scholarships have represented the Prosegur Foundation's commitment to academic excellence and the personal effort of the company's professionals and their children, benefiting more than 15,200 students in 14 countries to date. Through its different forms, and depending on the needs of each country, the programme helps high school, technical or university students in their studies.

In the last financial year, and hand in hand with the Human Resources area, we offered our support to the children of employees facing the challenge of looking for their first job in a context of job insecurity. To achieve this, we gave online orientation workshops and training sessions focused on the current demands of companies, with useful tools to access said market.

What's more, in 2021 we expanded our Scholarship programme with a new form aimed at supporting the talent of women in Prosegur and promoting their professional development. Thus, the Empowered Women Scholarships were created in Spain in collaboration with Human Resources, with the aim of being replicated in other countries in the coming years. The professionals benefiting from this aid to training also have a support and mentoring programme given by other women leaders of Prosegur.

In 2021 we expanded our Talent Scholarship programme with a new form that recognises the effort and professional excellence of women at Prosegur.

Our volunteers, the leaders of environmental awareness

We encourage the participation of Prosegur professionals in different volunteer actions, channelling their solidarity to achieve a positive impact on society.

In addition, as a business foundation, we support the company in achieving its objectives in ESG (Environmental, Social and Governance) matters and in its commitment to sustainability. To this end, we have been developing environmental education initiatives since 2014 aimed at making children aware of the proper management of resources and their active role in caring for the environment.

Following this line, in 2021 we wanted to extend this awareness to Prosegur professionals and their families, supporting our company's project to reforest an uninhabited area of Spain with the participation of volunteers. The growth of this forest mass started with the planting of more than 700 trees and can be followed digitally through a geolocation platform developed by the company ReTree.

New image, new website

Finally, in 2021 we tackled the official launch of our new graphic identity and we launched a new website. At the Prosegur Foundation we have therefore joined yellow to further reflect the brand that we carry within, through a more innovative, current and adaptable image. A change in form that does not alter our essence. Because we evolve to strengthen our purpose and continue adding to our company's social commitment.

7

Governance



7. GOVERNANCE

'A winner is a dreamer who never gives up', Nelson Mandela, South Africa, politician and activist.

7.1. CORPORATE GOVERNANCE

Prosegur's corporate governance is based on five essential pillars that serve as a framework and reference point for further development: independence, transparency, protection of minority shareholders, effectiveness and efficiency, and integrity.

This scaffolding responds to the provisions and recommendations of the Unified Code of Good Governance of Listed Companies, which was approved, at the time, by the National Stock Market Commission (CNMV). Under this regulatory structure, Prosegur has maintained its commitment and effort to consolidate a responsible, profitable and sustainable business.

Our Corporate Governance System is a river into which different regulations flow that help to control and express it. As could not be otherwise, the list is extensive and covers all the margins. Articles of Association, Regulations of the General Meeting and of the Board of Directors, Regulations of the Audit Committee, Sustainability Committee, Corporate Governance and Appointments and Remuneration.

This framework is completed with other internal procedures that further filter responsibilities and commitments:

- Internal Code of Conduct on Matters Relating to Securities Markets. It is a legal chapter that sets the standards of behaviour that workers, managers and members of
- the Company's bodies must comply with in securities markets matters that affect the company.
- Code of Ethics and Conduct, which includes the values, principles and standards of action that the employees, managers and members of the governing bodies of the Company must respect, both in their internal professional relationships and in external relationships with shareholders, clients and users, suppliers, public administrations, regulatory bodies and competitors. That is, with society in general.
- Internal Audit Statute, which ensures efficiency and effectiveness in the use of resources, the reliability of accounting and management information and compliance with the law.
- Framework Agreement on Relations between Prosegur Cash and Prosegur Compañía de Seguridad, as the controlling shareholder of the Company, the purpose of which is to establish a transparent space of relationships between them, defining their respective areas of activity, the scope of commercial relationships and the mechanisms provided to resolve any possible conflicts of interest.

7.1.1. Ownership structure

The share capital of Prosegur Compañía de Seguridad, S.A. is of EUR 32,916,253.32, represented by 548,604,222 shares each of a par value of EUR 0.06, belonging to one same class and series.

All shares have been fully paid up and subscribed, and are traded on the Stock Exchanges of Madrid and Barcelona (Spain). Each share carries the right to one vote and there are no legal or statutory restrictions on the exercise of this right. Nor are there any legal restrictions on the acquisition or transfer of stakes in the share capital.

Acquisition and disposal of own shares

On 24 February 2021, the Company's Board of Directors agreed to carry out a new Own Share Buyback Programme under the provisions of Regulation (EU) No. 596/2014 on market abuse (RAM) and in the Delegated Regulation (EU) 2016/1052 of the European Commission, making use of the authorisation conferred by the

Shareholders General Meeting on 29

October 2020, for the purchase of treasury stock, in order to comply with the commitments and obligations derived from the share compensation plans for the executive directors and employees of the Company.

Under said programme, the company acquired a total of 4,000,000 shares, representing approximately 0.73% of its share capital. With this percentage, the objectives are achieved that were set in the Programme, which therefore ended on 14 April 2021.

On 14 April 2021, the Company agreed to reactivate the Own Share Buyback Programme approved by the Board of Directors on 30 September 2020, and announced as a communication of other relevant information on 5 November 2020 (no. 5533), which is still in force at the end of financial year 2021.

As a result of this programme, to date the company has acquired a total of 3,298,933 shares.

Share information

Share capital of Prosegur Compañía de Seguridad, S.A.	EUR 32,916,253.32
Number of shares	548,604,222 shares
Par value per share	EUR 0.06

7.1.2. Governance of Prosegur

The Shareholders General Meeting is the principal body representing the share capital of Prosegur, and exercises the functions granted by law and the Articles of Association. In 2021, the Annual General Meeting was held on 3 June, and dealt, amongst other issues, with the approval of the Company's Annual Accounts, approval of the Statement of Non-financial Information, approval of the proposal for the allocation of profit/(loss) for 2020, approval of the management of the Board of Directors during 2020, re-election of Directors, approval of the capital decrease and the director remuneration policy.

The representation power of the Parent Company of the Group pertains to the Board of Directors acting collectively and by majority decision. The Board has broad powers to manage the activities of the companies, with the sole exception of matters under the jurisdiction of the Shareholders General Meeting or which are not included in the Prosegur corporate purpose.

The delegated committees of the Board of Directors are the Audit Committee and the Committee for Sustainability, Corporate Governance, Appointments and Remuneration. Each one has its own responsibilities.

The responsibilities of the Audit Committee, composed 66.6% by independent directors, include, among others: proposing the appointment of the auditor; reviewing the Prosegur accounts; ensuring compliance with legal requirements and the application of generally accepted accounting principles.

For its part, the duty of the Sustainability, Corporate Governance, Appointments and Remuneration Committee is to establish and study the criteria and programmes for the composition and remuneration of the Board of Directors, and of the members of the Company management team. But these are not its only functions. It is also responsible for providing information, consultancy and proposals in areas

relating to environmental, social and corporate governance. And, of course, in meeting the company's commitments to achieving the United Nations Sustainable Development Goals (SDGs).

In October 2021, Prosegur was the first Spanish company to obtain the AENOR Good Corporate Governance Certification with the highest possible rating: G++.

Corporate Governance lies at the heart of Prosegur. This explains the existence of other programmes that underpin the company's responsibility and good practice. For example, the Regulatory Compliance Programme. A system that serves to enhance the functioning of the company. In practice, it is a series of procedures, best practice manuals and training activities, together with a continuous process of critical evaluation that enables an immediate response to issues such as the prevention of money laundering, defence of competition, unfair competition and combating corruption. It complements and implements the Prosegur Code of Ethics and Conduct.

In order to meet all these commitments, a series of standardised procedures have been implemented in each of the aforementioned corporate policies, along with the implementation of collegiate, internal, permanent and multidisciplinary supervision and control bodies, such as the Risk and Regulatory Compliance Committees, which are responsible for ensuring the effective implementation and promotion of the company's best practices, policies and commitments.

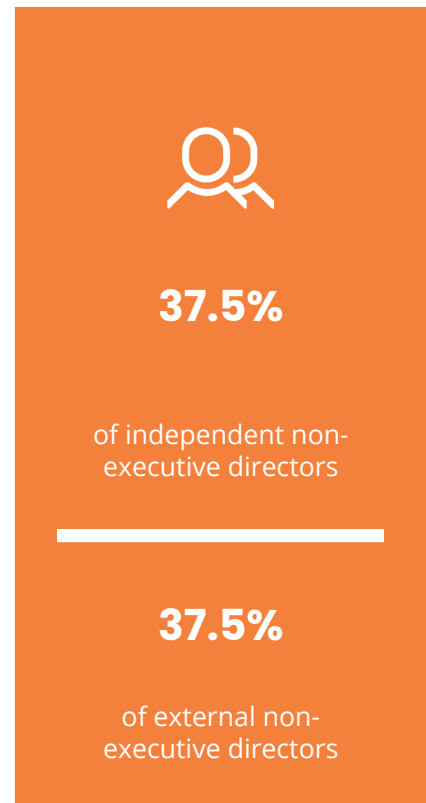
In October 2021, Prosegur was the first Spanish company to obtain AENOR Certification of

Good Corporate Governance with the highest possible rating: G++. This achievement is










recognition of the company's efforts to ensure responsible and transparent stakeholder relations and corporate governance protocols.

7.1.3. Structure of the Board of Directors

On 3 June 2021, the Shareholders General Meeting appointed Rodrigo Zulueta Galilea director with the consideration of Other External. If we review the Board of Directors of Prosegur at 31 December of that year, it was made up of nine members (22% are women). The distribution is one executive and eight non-executive, of which three (37.5%) are independent, another three external and two proprietary. The responsibilities of the president and the Managing director are different and complementary. The company follows the main international standards in matters of Corporate Governance that advise the separation of both functions.



Composition of the Board of Prosegur Compañía de Seguridad, S.A.

 <p>Ms Helena Irene Revoredo Delvecchio</p> <p>President (Proprietary Director representing Gubel, S.L.)</p> <p>○ ○</p>	 <p>Mr Christian Gut Revoredo</p> <p>Managing Director (Executive Director)</p> <p>○ ○</p>	 <p>Mr Isidro Fernández Barreiro</p> <p>Member (No-executive Vice-President and Other External Director)</p> <p>● ●</p>	 <p>Ms Chantal Gut Revoredo</p> <p>Member (Proprietary Director representing Gubel, S.L.)</p> <p>○ ●</p>
 <p>Mr Fernando Vives Ruiz</p> <p>Member (Independent Director)</p> <p>○ ●</p>	 <p>Mr Fernando D'Ornellas Silva</p> <p>Member (Independent Director)</p> <p>● ●</p>	 <p>Mr Ángel Durández Adeva</p> <p>Member (Independent Director)</p> <p>● ●</p>	 <p>Mr Eugenio Ruiz-Gálvez Priego</p> <p>Member (Other External Directors)</p> <p>○ ○</p>
 <p>Mr Rodrigo Zulueta Galilea</p> <p>Member (Other External Directors)</p> <p>○ ○</p>	<p>Mr Antonio Rubio Merino</p> <p>Non-director Secretary</p>		

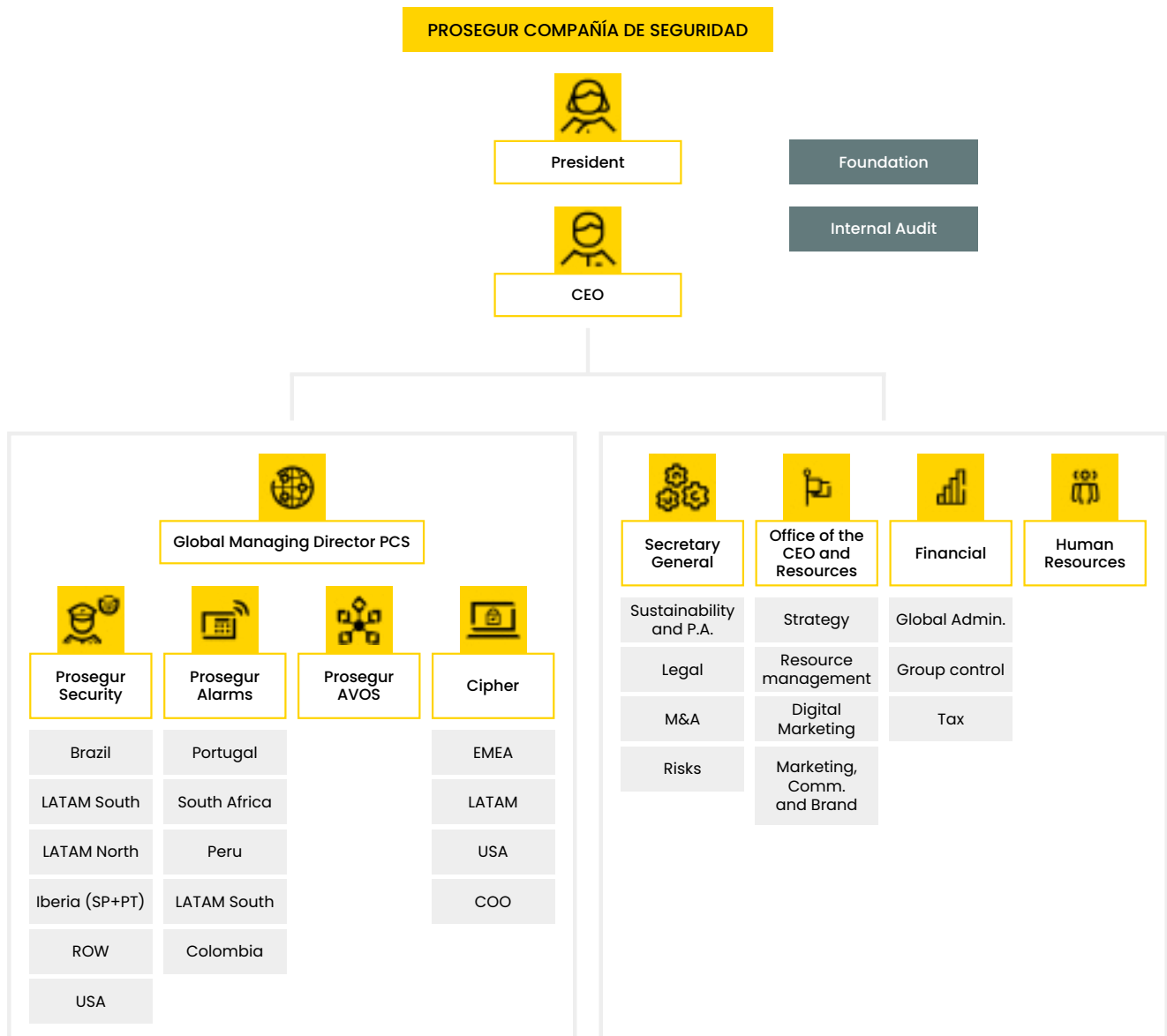
● Audit Committee ● Committee for Sustainability, Corporate Governance, Appointments and Remuneration

7.1.4. Organisational structure

Our organisational structure of Prosegur is designed to improve business processes and add value to our clients. Its flexibility allows for a permanent adaptation to an ever-changing environment and the evolution of Prosegur as a business group. It also allows the growth of the Company and provides broad autonomy to the business of Prosegur Security, Cipher, Prosegur Alarms, Prosegur AVOS and Prosegur Cash , since each one has different dynamics and, therefore, different needs. This way, we ensure the best service to its clients, wherever it operates.

Business is the backbone of the organisation and is represented in the Global General Management and in the General Business Management Areas which are responsible for the design of solutions for clients and cover the main business lines.

The corporate functions are supervised by the Global Support Divisions which cover the General Secretariat, the Managing Director's Office and Resources, Financial and Personnel Management.



7.1.5. Annual Corporate Governance Report

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

This report includes section 'E', analysing control and risk management systems of the Company; and 'F', providing details on the risk control and management system in relation with the process of issue of financial information (ICFR) and which is included in section 9 of this Directors' Report.

Prosegur complies with 61 of the 64 recommendations of the Unified Code of Good Governance of Listed Companies, and partially carries out the remaining three.

Prosegur complies with 61 of the 64 recommendations of the Unified Code of Good Governance of Listed companies, and partially carries out the remaining three recommendations.

7.1.6. Annual Report on Director Remuneration

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

7.2. BUSINESS CONDUCT

'Unfair and unworthy behaviours are human, but it is even more humane to fight against them', Bertolt Brecht, Germany, writer.

At Prosegur we are strongly committed to ethical compliance and anti-fraud regulations. This has led us to design a structure of solid pillars to avoid the inherent risks in a business whose logistics move high-value items.

The pillars build a story of security that permeates the entire company. The top layer is the Prosegur Code of Ethics and Conduct. It is a reference that determines our daily activities and the way we relate to employees, shareholders, clients and users, suppliers, authorities, Public Administrations, regulatory bodies, the competition and, very especially, civil society as a whole.

Within this structure, the Code of Ethics and Conduct is not the only regulatory text that binds this behaviour. We also have a Corporate Compliance Programme aimed at all the governing bodies, managers and workers of the company. It produces a series of common standards that must be respected in the relationship with stakeholders, in addition to the Code of Ethics and Conduct.

This philosophy leads to an inalienable path: zero tolerance for any breach or irregularity. For this reason, the standards of the mechanisms for the control and prevention of irregular or illegal practices are of the highest level. However, behind all regulations are people. They are the ethical framework and this culture has spread through our organisation.

7.2.1. Anti-corruption and bribery

Our Corporate Compliance Programme establishes the measures designed to reduce or eliminate the risks of non-compliance with regulations in daily work. It encompasses any aspect, although it focuses above all on anti-money laundering, data protection, defence of competition and prevention of criminal offences.

This programme is approved by our Board of Directors and overseen by the Compliance Committee which acts in an autonomous and independent manner and reports to the Audit Committee. This Committee implements it in close collaboration with an internal structure: General Secretary and representatives of the Legal, Human Resources, Risk Management, Compliance and Internal Audit Directorates.

Our ethical vision is global and, therefore, we have compliance officers in all the countries where we are present. Their function? To implement the Compliance Programme in the countries under their responsibility and ensure that it is respected. The local Compliance Committee makes sure that this is the case. The regulations are very strict, especially in certain high-risk countries. Again the human factor comes into play. Employees, senior managers and members of the governing bodies are offered specific training on this subject.

Due diligence in crime prevention

The principle of due diligence is at the core of Prosegur. It groups and gives coherence to the various elements of internal control that prevent crimes from being committed. It is not just about preparing reports on specific cases or conducting investigations, but also about establishing a corporate culture of extreme responsibility in daily practices that permeates the entire company and ensures that good practices are encouraged and irregularities are avoided, detected and eradicated.

The pattern for this line of action was found in the US Federal Sentencing Guidelines. These guidelines, once assumed, are supervised by North American federal judges. They are the ones who certify that the company acts with due diligence to avoid criminal activities or bad practices.

Prosegur's ethical and security framework, which the firm already has in place, fits in with this high level of demand. This 'architecture' of Prosegur can be summed up in five infinitive verbs:



Preventive controls and risk group approaches

At Prosegur, we base part of our operations on crime prevention. They are a kind of customs barriers, controls which prevent situations that can lead to criminality.

The barrier works on two levels. On the outer margin are the general preventive controls, whose purpose would be to reduce the generic crime risk. After these come the specific controls, focused on mitigating criminal danger.

In 2021, the task of consolidating these specific controls continued to be deepened to guarantee that they satisfactorily cover most eventualities. These are some of the actions carried out:

- All Prosegur workers have been made aware of the importance of complying, in their daily work, with the General and Specific Preventive Controls.

- Employees have been clearly and unequivocally explained the labour consequences, among others, that a violation of the rules of the Code of Ethics and Conduct may entail.
- The firm condemnation by the company of any behaviour that is illegal or violates its ethical and social principles has been made explicit.
- The necessary measures continue to be adopted to prevent and intervene in the face of the risk of committing crimes.
- Controls have been strengthened in those operations liable (hypothetically) to generate criminal risks.
- Emphasis has been placed on the implementation of the principle of separation of functions.
- Emphasis has been placed on the supervision and control of Prosegur's behaviour, as well as its policies and procedures.
- The functions and rules of conduct of Prosegur have been updated following any possible changes in current legislation.
- There has been a monitoring and supervision board.

All this web of risk reduction rules is only effective if employees are made aware of them. Their involvement is essential to prevent crime.

Prevention of money laundering

Our level of demand in terms of money laundering and terrorist financing is very high due to the activity carried out by the company. Above all, thinking about the logistics of transporting valuable assets. The company adapts its performance to each territory where it is present.

Obviously, we scrupulously comply with the requirements and guidelines of the European Union. In general, we also follow the recommendations of the Financial Action Task Force (FATF) and the best practices that are applied worldwide in this field.

Due to the nature of its activities, Prosegur Cash is the Prosegur business line most sensitive to this type of issue. Here, a series of principles are applied to avoid any irregularity, which include: knowledge of the client, analysis of operations, communication of suspicious transactions, development of training plans and continuous collaboration with the regulator.

One way to reduce this type of bad practice is permanent vigilance. We constantly prepare an Annual Risk Report (IAR). In it, the risks inherent to the activity are periodically identified and the clients' activity is analysed, paying particular attention to their possible exposure to money laundering. All these pages generate a detailed diagnosis of business risk levels, which is evaluated by the Committee for the Prevention of Money Laundering.

The subsequent step is to submit the conclusions reached to the supervision of the Internal Audit department and the control of external auditors. The reports issued are forwarded to the Governing Bodies of Prosegur and are available to the regulator. Workers also assume their share of responsibility through compulsory annual training (Prosegur Corporate University) in this area.

The system for the prevention of money laundering is based on three pillars:

- Identification and knowledge of the client. Different levels of risk are established, applying greater identification and knowledge requirements to those that present greater objective danger. No client is accepted without meeting the requirements established by our policy.
- Monitoring of the commercial relationship. A profile is drawn up for each client that seeks coherence between their operations and the activity they have declared. If in doubt, this disconnection is examined.
- System of communication to regulators. When any alert takes place, whether caused by a change in the profile of client transactions or by other means, such as the internal communications of employees or reports through the Ethics Channel, a file is initiated whose result may entail a communication of suspicious operation to the regulator.

During 2021, 18,820 workers of the Prosegur Group were trained in money laundering prevention compared to 13,708 in 2020.

Privacy

The protection of personal data is a corporate requirement. And an ever greater one. This requirement is highly considered by Prosegur. The result is compliance with the standards that apply in this area in all the countries where the company operates. The aim is to protect the fundamental rights and freedoms of natural persons who intervene in the exercise of their activity.

Among its regulations, the company has a Data Protection Management System, which complies with the requirements established by Regulation (EU) 2016/679 of 27 April 2016 regarding the protection of natural persons with regard to personal data processing and their free circulation (General Data Protection Regulation - GDPR), and Organic Act 3/2018 of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights (LOPDGDD), and are implemented throughout the organisation.

Our Privacy Management System is based on the application of the most rigorous international security and privacy standards (ISO/IEC 27001 and ISO/IEC 27701: 2019). What the company has decided is to express all this information through the Privacy & Compliance Management System (P&CMS) tool. This instrument automatically manages Prosegur's privacy. It covers 16 domains. The main ones to comply with privacy regulations.

 D01 Treatment Activity Register (RAT)	 D02 Transparency. Duty to information	 D03 Legality. Consent and other legislating bases	 D04 Rights of those concerned
 D05 Principles regarding treatment	 D06 Standards, policies and procedures	 D07 Roles and responsibilities for data protection	 D08 Relations relations
 D09 Group entity relations	 D10 International Data Transfers (IDT)	 D11 Risk analysis	 D12 Assessment of impact on data protection
 D13 Legal security and organisational measures	 D14 Security Breaches	 D15 Training and consolidation of employees	 D16 Audits and ongoing monitoring

Under the certainty that the active protection of privacy must adapt to changing environments and the appearance of new potential threats, we have reinforced its internal legislative apparatus. New regulations, policies, procedures and action protocols have been added to it for the exercise of the rights of the stakeholders and management of breaches, among others.

The resulting equation are the so-called Binding Corporate Rules of the Prosegur Group. A legal instrument recognised in article 46 of the GDPR. They are also pending the approval of the European control authorities, as well as the definitive regularisation of international data transfers.

Much of the future in terms of these types of issues depends on the optimal development and implementation of Artificial Intelligence (AI). 2021 was a very important year technologically. We designed Prosegur's Responsible AI governance model. A new path emerges around this avant-garde vision, with a beginning: the preparation of the Responsible AI policy, the creation of the AI Committee, the design of the AI methodology and the evaluation of suppliers.

Responsible Artificial Intelligence for the company is the set of ethical, moral, regulatory and security values applied to the technological solutions that incorporate this tool. It is both an open space and a border. It preserves the rights and freedoms of users who may feel affected by the use of this technology. And it teaches and

establishes the limits, the rules of the game. At Prosegur we apply these criteria both to our own developments and in acquiring solutions that use Artificial Intelligence. This policy guarantees corporate solutions or solutions acquired from third parties and, at the same time, respects the ethical values of the Organisation and complies with regulatory requirements.

Privacy training

This new regulatory platform requires training. During 2021, at Prosegur have trained our workers in data protection. The teaching was both online and face-to-face. The proposal was to segment this 'classroom' based on the needs of the company's businesses and the different profiles of the organisation. Last year, specific training in this area was offered to 10,000 employees, a figure much higher than the 2,850 in 2020.

Code of Ethics and Conduct

It is part of the core values of our company. The latest version of the Code of Ethics and Conduct was approved by the Board of Directors on 23 October 2013 and is scheduled to be updated for next year.

It is a binding instrument. That is to say, it must be known and complied with by all workers and members of Prosegur governing bodies. It is a guide and, as such, outlines the standards of behaviour and good work of all the company's professionals. It covers aspects such as compliance with the law, respect for human rights and equality and, of course, politeness among employees. These are also those who must collaborate to facilitate its implementation and report (through the Ethics Channel) all possible breaches of which they are aware. It is accessible through the corporate website and is given to all workers when they join our organisation.

At Prosegur, we are not alone in this ethical reference. We have signed and promoted the Code of Conduct and Ethics of the International Security League (global association of security companies based in Switzerland) and we recognise the Code of Conduct and Ethics for the private security sector drawn up by the Confederation of European Security Services (CoESS).

Ethics Channel

At Prosegur we have a permeable Ethics Channel through which incidents can be reported. Its purpose is to detect irregular, illegal or attitudes contrary to the Code of Ethics and Conduct. Through this Channel, available at Prosegur's website, anyone, whether they belong to the company or not, can report these behaviours securely and anonymously. The Internal Audit Department is responsible for independently and confidentially evaluating, investigating and resolving any reported incident.

In 2020, the channel was restructured to be sole and global across the organisation. This year we have approved the Ethics Channel Policy in order to regulate its operation. It has also been provided with all the necessary organisational resources. It is a unique tool that adapts to existing government and management needs. The purpose is to comply with the regulations that apply in the different jurisdictions while being faithful to the highest international standards applied to such channels. The purpose is to promote an ethical culture of transparency free from corruption or fraud.

Since the approval and launch of the Ethics Channel at the end of the first quarter of 2020, we have implemented and applied different policies and procedures in order to regulate the channel and guarantee that any communication is treated objectively, independently, anonymously and confidentially, taking all appropriate measures to ensure effective compliance with the Code of Ethics.

The main results obtained from the application of these policies have been:

- Determining what is considered an incident or irregularity and the preparation of a catalogue (non-excluding) on issues that can be reported through the Ethics Channel.

Excluding communications from the management of the channel that deal with issues for which there is a specific channel, such as client or employee service; the unification of the reporting of incidents through a single means enabled as an Ethics Channel on the corporate website and in Prosegur's premises, as well as on the Intranets of the different countries where we operate; and establishing a single management system in which, if a report is received that could be transferred to the Ethics Channel by a route other than that of the channel itself, employees are obliged to inform the Compliance department so that it can be redirected to said channel.

- Creation of the figure of the Ethics Manager as an independent figure who manages the Ethics Channel, continuously controlling incoming complaints and work units, with the aim of ensuring their correct processing and resolution through an objective and structured procedure.
- Establishing various guarantees within the management process, such as the protection of informants; confidentiality and anonymity in communications, establishing the obligation to ensure the protection of the identity of the accused during the process of managing communications, and, where appropriate, after their resolution; the management of conflicts of interest, by which it is guaranteed that the communications received through the Ethics Channel are managed out by an independent, impartial and objective team; the prohibition of retaliation against those who have reported an incident or irregularity through the Ethics Channel, in good faith; the presumption of innocence and professional integrity of the persons reported and persons involved through any communication received through the Ethics Channel.

The conclusion is that the tool has undergone a process of refinement and improvement. This

gives it more efficiency in the management and resolution of the communications received through the Channel. Furthermore, the requirements established by Directive (EU) 2019/1937 of the European Parliament and Council of 23 October 2019, are included. These resolutions protect the identity of the complainant and guarantee communications with them.

Contributions to sector-specific associations

Our Code of Ethics and Conduct establishes the duty to act in accordance with the principles of legality, cooperation, truth and transparency in relations with the authorities, public administrations and regulatory bodies in the countries in which we operate.

Prosegur is a member of industry associations and organisations in order to promote the development of the sector, improved quality standards and to drive the most advanced public policies.

Among the professional organisations, our presence stands out, in addition to in the aforementioned International Security League, in: Confederation of European Security Services (CoESS), European Security Transport Association (ESTA), Asian Cash Management Association (ACMA), ATM Industry Association (ATMIA) and Aviation Security Services Association – International (ASSA-I).

Moreover, Prosegur is a member of the main sector organisations in the countries in which we are present.

7.2.2. Public administrations and tax contribution

Prosegur has agreed to grant government aid for the maintenance of employment in the security sector, associated with aviation in the United States in the context of the COVID-19 pandemic, amounting to EUR 26.6 million. In addition to those mentioned, there are other concessions of public material subsidies that warrant breaking down in the Statement of Non-financial Information.

At Prosegur we contribute to the revitalisation of the economies where we have operations

through our contribution to public administrations. Accordingly, our tax strategy is based on OECD (Organisation for Economic Cooperation and Development) guidelines, in compliance with recommendations set forth in the document Base Erosion and Profit Shifting, concerning how to combat tax evasion or reduction and practices tending to shift profits to territories with low or zero tax rates.

The breakdown by region of profit before income tax is as follows:

	Europe	ROW	LatAm	Total
Profit before tax	32,580	(23,488)	129,889	138,981

EUR 16 million of taxes were paid in the European region, 9 in ROW and EUR 33 million in LatAm.

The breakdown of the effective rate by country is as follows:

	Argentina	Peru	Portugal	Paraguay	Other
TFE	76 %	46 %	31 %	14 %	94 %

The breakdown of the effective rate by geographic region is as follows:

	Europe	ROW	LatAm
TFE	1 %	19 %	70 %

The effective rate of each company reflects the tax contribution as a percentage of the profit before income tax of each company. Therefore the tax paid or to be paid year on year for those profits.

The payment of income tax in 2021 was EUR 57 million (2020: EUR 103 million).

This Statement of Non-financial Information does not itemise the profit before income tax by country due to the risk that the disclosure of this information could pose in terms of competitiveness, assuming the flexibility allowed by Directive 2013/34/EU for the protection of sensitive trade information and assurance of fair competition.

8



Appendices



8. APPENDICES

8.1. ABOUT THIS REPORT

This report responds to Act 11/2018 concerning non-financial reporting and diversity.

The scope of this Statement of Non-Financial Information is the same as that of the consolidation of the financial information and the consolidations by equity method (Cash India and Movistar Prosegur Alarmas). The tables including quantitative data contain notes indicating the scope of the data reported compared to sales or employees.

Sales and employees in the consolidation scope amount to EUR 3,498.1 million and there are 140,758 employees.

Most of the comparative figures for 2020 are shown for information purposes only and may not cover the same scope as the figures for 2021, although there are exceptions as a result of legal requirements for reporting the evolution.

Taking into account the profit/(loss) for this year, Prosegur does not consider the following to be material issues:

- Biodiversity: The Company does not have a significant impact on living creatures and the variety of ecosystems.
- Actions to fight the waste of food The company has no related business activity.

The contents of Act 11/2018 and GRI standards were used to compile this report, in accordance with the GRI option chosen, as detailed in the Appendix to this Statement of Non-financial Information.

In accordance with current commercial regulations, this Statement of Non-Financial Information has been verified by EY. The independent Verification Report is attached to this Statement of Non-Financial Information.

8.2. KEY INDICATORS

8.2.1. Environmental matters

KPIs		2020		2021
Emissions				
Direct CO2 emissions (t)	Security	26,808 T	Security	25,802 T
	Cash	112,628 T	Cash	125,462 T
	Alarms	10,252 T	Alarms	5,251 T
Indirect CO2 emissions (t)	Security	4,464 T	Security	2,895 T
	Cash	12,785 T	Cash	11,553 T
	Alarms	1,481 T	Alarms	235 T
Waste				
Non-hazardous waste managed (t)	Security	108 T	Security	94 T
	Cash	1,655 T	Cash	1,605 T
	Alarms	68 T	Alarms	15 T
Hazardous waste managed (t)	Security	5 T	Security	11 T
	Cash	82 T	Cash	92 T
	Alarms	7 T	Alarms	14 T
Consumptions				
Electricity consumption (MWh)	Security	14,196 MWh	Security	10,311 MWh
	Cash	53,471 MWh	Cash	49,865 MWh
	Alarms	5,388 MWh	Alarms	1,281 MWh
Fuel (millions of litres)	Security	10	Security	9
	Cash	41	Cash	46
	Alarms	4	Alarms	2
Natural gas (m3)	Security	44,827	Security	43,045
	Cash	150,956	Cash	140,211
	Alarms	11,703	Alarms	1,057
Paper consumption (t)	Security	55 T	Security	47 T
	Cash	628 T	Cash	859 T
	Alarms	12 T	Alarms	12 T
Number of uniforms distributed	Security	681,189	Security	925,866
	Cash	147,755	Cash	286,107
	Alarms	17,330	Alarms	15,844
Water consumption (m3)	Security	45,851	Security	33,419
	Cash	485,920	Cash	398,815
	Alarms	16,694	Alarms	7,981
Consumption of Operational Plastics (t)	Security	N.a.	Security	0.8 T
	Cash	1,577 T	Cash	1,362 T
	Alarms	N.a.	Alarms	0.6 T

- A. The scope of these KPIs covers 92%. The scope excludes Australia, the United States and the Philippines, the scope of the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted. The decreases in the levels of consumption, generation of emissions and waste in Alarms are mainly due to the change in the consolidation scope after the sale of 50% of Prosegur's alarm business in Spain.
- B. Direct emissions include those derived from the direct consumption of energy (petrol, diesel or natural gas) and correspond to scope 1. To calculate these emissions, the emission factors available in the UK Government GHG Conversion Factors for Company Reporting have been applied.
- C. Indirect emissions include those derived from electricity consumption and correspond to scope 2. To calculate these emissions, the emission factors of the International Energy Agency (IEA) have been applied.
- D. Information is provided exclusively on the withdrawal of water from the public network.

8.2.2. Social and employment matters

Employees and professional development

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA	
Total no. of employees			140,758	29,930	4,905	4,030	893	547	955	590	1,959	581	38,977	17,173	4,939	1,942	1,847	10,002	3,195	10,255	624	247	483	93	1,349	5,242	
Summary of total no. of employees																											
Gender	Man	100%	111,450	22,938	4,029	3,330	610	537	584	557	1,562	527	31,614	13,756	3,920	1,723	1,643	8,443	2,329	7,603	554	180	388	71	1,224	3,328	
	Woman		29,308	6,992	876	700	283	10	371	33	397	54	7,363	3,417	1,019	219	204	1,559	866	2,652	70	67	95	22	125	1,914	
Age	Less than 30 years	100%	24,264	3,831	445	336	110	311	461	83	180	73	5,653	2,833	832	153	520	2,590	907	2,885	204	101	76	31	227	1,422	
	30 to 50 years		83,955	15,455	3,190	1,942	378	233	440	292	650	426	27,120	11,224	2,588	1,077	1,262	5,948	1,809	6,164	350	120	344	58	920	1,965	
	More than 50 years		32,539	10,644	1,270	1,752	405	3	54	215	1,129	82	6,204	3,116	1,519	712	65	1,464	479	1,206	70	26	63	4	202	1,855	
Professional category	Executives and Managers	100%	1,019	293	27	25	6	3	8	5	10	5	240	146	29	14	22	33	16	50	8	0	4	0	8	67	
	Heads, supervisors and coordinators		3,081	452	46	96	27	19	22	14	23	5	820	596	267	58	61	149	27	215	5	2	26	1	29	121	
	Analysts and office clerks		9,869	2,111	396	129	42	11	57	13	23	47	2,480	1,719	438	303	199	868	183	453	76	39	57	18	92	115	
	Operational		126,789	27,074	4,436	3,780	818	514	868	558	1,903	524	35,437	14,712	4,205	1,567	1,565	8,952	2,969	9,537	535	206	396	74	1,220	4,939	
Average number of employees per year																											
Employee type	Operational	100%	131,623	27,471	4,602	3,721	861	492	941	547	1,902	529	39,051	15,104	4,277	1,568	1,711	9,350	3,168	9,523	535	191	434	83	1,291	4,270	
	Man		106,583	21,515	3,834	3,109	598	491	577	529	1,537	501	32,494	12,340	3,496	1,481	1,538	8,053	3,168	7,163	477	143	359	67	1,208	2,689	
	Woman		25,040	5,956	768	612	263	1	364	18	365	28	6,558	2,764	781	87	173	1,297	784	2,360	58	48	75	16	83	1,582	
	Indirect		9,353	1,553	450	226	80	33	94	35	59	59	1,543	2,404	664	375	129	517	177	564	57	49	49	10	121	102	
	Man		5,857	954	290	154	37	25	50	19	29	43	790	1,747	468	240	90	298	116	257	47	32	29	4	67	72	
	Woman	3,495	599	161	72	43	8	44	16	30	16	753	657	196	135	39	219	61	310	10	17	20	6	54	30		
Number of employees per types of contracts																											
Gender	Man	100%	111,450	22,938	4,029	3,330	610	537	584	557	1,562	527	31,614	13,756	3,920	1,723	1,643	8,443	2,329	7,603	554	180	388	71	1,224	3,328	
	Indefinite		101,684	21,765	3,074	2,686	327	9	584	4	1,562	527	31,468	13,755	3,527	1,703	1,581	3,876	2,268	7,603	524	180	388	71	1,224	2,978	
	Temporary		9,766	1,173	955	644	283	528	0	553	0	0	146	1	393	20	62	4,567	61	0	30	0	0	0	0	0	350
	Woman		29,308	6,992	876	700	283	10	371	33	397	54	7,363	3,417	1,019	219	204	1,559	866	2,652	70	67	95	22	125	1,914	
	Indefinite		27,566	7,212	603	573	108	4	371	3	397	54	7,164	3,417	817	219	192	896	854	2,652	68	0	95	22	125	1,720	
	Temporary		2,371	409	273	127	175	6	0	30	0	0	199	0	202	0	12	663	12	0	2	67	0	0	0	0	194
Age	Less than 30 years	100%	24,186	3,831	445	336	110	311	461	83	180	73	5,653	2,833	832	153	520	2,590	907	2,885	204	101	76	31	227	1,344	
	Indefinite		19,878	3,431	112	120	32	0	461	0	180	73	5,308	2,833	561	145	498	545	898	2,885	184	101	76	31	227	1,177	
	Temporary		4,308	400	333	216	78	311	0	83	0	0	345	0	271	8	22	2,045	9	0	20	0	0	0	0	167	
	30 to 50 years		83,845	15,455	3,190	1,942	378	233	440	293	650	426	27,120	11,069	2,588	1,077	1,262	5,948	1,809	6,164	350	120	344	58	920	2,009	
	Indefinite		78,133	14,890	2,445	1,538	199	13	440	7	650	426	27,120	11,068	2,333	1,065	1,214	3,220	1,756	6,164	338	120	344	58	920	1,805	
	Temporary		5,712	565	745	404	179	220	0	286	0	0	0	1	255	12	48	2,728	53	0	12	0	0	0	0	0	204
More than 50 years	32,727	10,644	1,270	1,752	405	3	54	214	1,129	82	6,204	3,271	1,519	712	65	1,464	479	1,206	70	26	63	4	202	1,889			
	Indefinite	30,691	10,046	1,120	1,601	204	0	54	0	1,129	82	6,204	3,271	1,450	712	61	1,007	463	1,206	70	26	63	4	202	1,716		
	Temporary	2,036	598	150	151	201	3	0	214	0	0	0	0	69	0	4	457	16	0	0	0	0	0	0	0	173	
Professional category	Executives and Managers	100%	1,026	293	27	25	6	3	8	5	10	5	240	146	29	14	22	33	16	50	8	0	4	0	8	74	
	Indefinite		1,015	291	25	23	6	3	8	5	10	5	240	145	29	14	22	31	15	50	8	0	4	0	8	73	
	Temporary		11	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	2	1	0	0	0	0	0	0	1
	Heads, supervisors and coordinators		3,136	452	46	96	27	19	22	10	60	5	820	596	267	58	123	149	27	215	5	2	26	1	27	83	
	Indefinite		3,048	446	45	93	26	9	22	1	60	5	820	596	255	58	117	112	24	215	5	2	26	1	27	83	
	Temporary		88	6	1	3	1	10	0	9	0	0	0	0	12	0	6	37	3	0	0	0	0	0	0	0	0
	Analysts and office clerks		9,893	2,111	396	129	42	11	57	10	57	47	2,480	1,719	438	303	163	868	183	453	76	39	57	18	109	127	
	Indefinite		9,055	2,040	368	121	36	1	57	2	57	47	2,135	1,719	415	303	150	555	174	453	76	39	57	18	109	123	
	Temporary		838	71	28	8	6	10	0	8	0	0	345	0	23	0	13	313	9	0	0	0	0	0	0	0	4
	Operational		126,703	27,074	4,436	3,780	818	514	868	565	1,832	524	35,437	14,712	4,205	1,567	1,539	8,952	2,969	9,537	535	206	396	74	1,205	4,958	
	Indefinite		115,581	25,590	3,239	3,022	367	0	868	0	1,832	524	35,437	14,712	3,645	1,547	1,484	4,074	2,904	9,537	503	206	396	74	1,205	4,415	
	Temporary		11,122	1,484	1,197	758	451	514	0	565	0	0	0	0	560	20	55	4,878	65	0	32	0	0	0	0	0	543

Scope		Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA	
Yearly contract average																										
Gender	Man	106,690	22,469	740	3,441	634	517	627	548	1,566	529	33,284	13,037	5,327	1,920	1,628	8,586	2,329	7,421	201	175	388	71	1,253		
	Indefinite full time	91,761	19,001	287	2,557	344	9	627	4	1,164	529	31,022	13,037	4,148	1,920	1,565	3,791	2,268	7,421	181	174	388	71	1,253		
	Indefinite part time	4,980	2,185	3	267	0	0	0	0	402	0	2,117	0	2	0	3	0	0	0	0	0	0	0	0	0	
	Temporary full time	8,644	646	403	433	0	508	0	544	0	0	0	5	0	1,175	0	62	4,786	61	0	20	0	0	0	0	
	Temporary part time	1,306	637	47	184	290	0	0	0	0	140	0	0	2	0	1	5	0	0	0	0	0	0	0	0	
	Woman	25,450	6,555	230	738	307	8	408	34	395	59	7,311	1,921	1,501	300	211	1,584	866	2,670	37	65	95	22	133		
	Indefinite full time	20,927	4,787	64	410	122	4	408	3	328	59	6,637	1,921	957	300	200	868	854	2,670	25	61	95	22	133		
	Indefinite part time	2,071	1,296	2	194	0	0	0	0	67	0	499	0	0	0	0	9	0	0	0	4	0	0	0	0	
	Temporary full time	1,831	271	153	89	0	4	0	31	0	9	0	0	0	544	0	11	695	12	0	12	0	0	0	0	
	Temporary part time	620	201	11	45	185	0	0	0	0	0	166	0	0	0	0	12	0	0	0	0	0	0	0	0	
	Age	Less than 30 years	21,465	3,187	322	291	108	272	435	94	211	50	5,919	1,632	1,555	168	552	2,642	858	2,595	149	98	76	31	221	
		Indefinite full time	15,153	1,759	57	88	29	0	435	0	190	50	4,902	1,632	776	168	530	537	850	2,595	129	98	76	31	221	
Indefinite part time		1,755	997	0	28	0	0	0	0	21	0	698	0	3	0	0	8	0	0	0	0	0	0	0	0	
Temporary full time		3,933	259	257	129	0	272	0	94	0	14	0	774	0	21	2,084	8	0	0	20	0	0	0	0	0	
Temporary part time		625	171	8	46	79	0	0	0	0	0	305	0	2	0	1	13	0	0	0	0	0	0	0	0	
30 to 50 years		81,341	15,366	544	1,987	401	249	538	273	723	445	28,311	10,104	3,381	2,028	1,226	6,103	1,893	6,224	86	117	344	58	942		
Indefinite full time		71,566	12,908	237	1,404	212	13	538	7	598	445	26,527	10,104	2,602	2,028	1,179	3,171	1,840	6,224	74	112	344	58	942		
Indefinite part time		3,886	1,743	29	188	0	0	0	0	125	0	1,783	0	9	0	0	4	0	0	0	5	0	0	0	0	
Temporary full time		5,386	527	237	323	0	236	0	266	0	0	0	0	762	0	47	2,923	53	0	12	0	0	0	0	0	
Temporary part time		503	189	41	72	189	0	0	0	0	0	1	0	8	0	0	4	0	0	1	0	0	0	0	0	
More than 50 years		29,333	10,471	104	1,901	432	4	62	215	1,027	93	6,366	3,223	1,892	24	61	1,425	444	1,272	3	25	63	4	223		
Indefinite full time		25,919	9,121	57	1,474	225	0	62	215	671	93	6,230	3,223	1,714	24	56	951	432	1,272	0	25	63	4	223		
Indefinite part time	1,482	741	2	245	0	0	0	0	356	0	135	0	3	0	0	0	0	0	0	0	0	0	0	0		
Temporary full time	1,122	131	35	70	0	4	0	215	0	0	0	0	173	0	5	474	12	0	3	0	0	0	0	0		
Temporary part time	809	478	10	112	207	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0		
Professional category	Executives and Managers	818	293	5	39	7	4	8	5	10	5	250	11	33	0	22	37	23	54	1	0	4	0	8		
	Indefinite full time	796	286	2	32	7	3	8	5	10	5	250	11	33	0	22	34	22	54	1	0	4	0	8		
	Indefinite part time	9	4	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Temporary full time	10	0	3	2	0	1	0	0	0	0	0	0	0	0	0	3	1	0	0	0	0	0	0	0	
	Temporary part time	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Heads, supervisors and coordinators	2,462	442	2	101	33	20	22	14	23	5	857	67	325	0	60	163	70	202	0	2	26	1	27		
	Indefinite full time	2,307	420	2	88	32	9	22	0	23	5	856	67	290	0	58	110	66	202	0	2	26	1	27		
	Indefinite part time	27	17	0	12	0	0	0	0	0	0	1	0	0	0	2	0	0	0	0	0	0	0	0	0	
	Temporary full time	121	0	0	11	0	14	0	0	0	0	0	0	35	0	2	52	4	0	0	0	0	0	0	0	
	Temporary part time	7	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Analysts and office clerks	7,847	2,054	245	167	44	10	65	15	23	49	2,372	187	555	168	201	867	106	469	22	38	57	18	116		
	Indefinite full time	6,819	1,919	206	127	35	1	65	3	23	49	2,024	187	492	168	185	516	99	469	22	38	57	18	116		
Indefinite part time	123	63	0	27	0	0	0	0	0	0	30	0	3	0	0	0	0	0	0	0	0	0	0	0		
Temporary full time	563	53	39	5	0	9	0	12	0	0	12	0	59	0	16	351	7	0	0	0	0	0	0	0		
Temporary part time	342	18	0	8	9	0	0	0	0	0	306	0	1	0	0	0	0	0	0	0	0	0	0	0		
Operational	121,013	26,235	718	3,872	857	491	940	548	1,905	529	37,116	14,693	5,915	2,052	1,556	9,104	2,996	9,366	215	200	396	74	1,235			
Indefinite full time	102,721	21,163	140	2,721	392	0	940	0	1,404	529	34,528	14,693	4,276	2,052	1,500	3,999	2,935	9,366	183	195	396	74	1,235			
Indefinite part time	6,936	3,396	4	419	0	0	0	0	0	0	501	0	2,586	0	13	0	0	0	0	5	0	0	0	0		
Temporary full time	9,773	864	517	512	0	491	0	548	0	0	0	0	2	0	1,615	0	56	5,075	61	32	0	0	0	0		
Temporary part time	1,583	812	58	220	465	0	0	0	0	0	0	0	0	11	0	17	0	0	0	0	0	0	0	0		
Number of employees per types of Working Day																										
Gender	Man	111,347	22,938	4,029	3,330	610	537	584	557	1,458	527	31,614	13,756	3,921	1,723	1,643	8,443	2,329	7,603	554	180	388	71	1,224	3,328	
	Full time	103,963	19,468	3,697	2,969	327	537	584	557	1,134	527	29,428	13,690	3,918	1,723	1,642	8,436	2,329	7,603	554	178	388	71	1,224	2,979	
	Part time	7,384	3,470	332	361	283	0	0	0	424	0	2,186	66	3	0	1	2	0	0	0	0	0	0	0	0	349
	Woman	29,411	6,992	876	700	283	10	371	33	501	54	7,363	3,417	1,018	219	204	1,559	866	2,652	70	67	95	22	125	1,914	
	Full time	26,036	5,122	805	494	108	10	371	33	428	53	6,635	3,392	1,017	219	204	1,536	866	2,652	70	59	95	22	125	1,720	
	Part time	3,375	1,870	71	206	175	0	0	0	73	1	728	25	1	0	0	23	0	0	0	8	0	0	0	0	194
Age	Less than 30 years	24,264	3,831	445	336	110	311	461	83	180	73	5,653	2,833	832	153	520	2,590	907	2,885	204	101	76	31	227	1,422	
	Full time	21,022	2,058	408	274	32	311	461	83	164	73	4,613	2,812	832	153	519	2,569	907	2,885	204	92	76	31	227	1,238	
	Part time	3,242	1,773	37	62	78	0	0	0	16	0	1,040	21	0	0	1	2	0	0	0	9	0	0	0	184	
	30 to 50 years	84,189	15,455	3,190	1,942	378	233																			

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA	
Number of dismissals																											
Gender	Man	95%	12,819	1,175	462	250	18	42	13	4	7	68	8,601	91	398	80	342	459	303	352	62	10	6	1	75		
	Woman		3,062	538	196	64	8	1	8	1	1	0	1,701	5	102	12	27	77	65	230	7	5	2	1	11		
Age	Less than 30 years	95%	3,447	463	180	54	4	24	11	3	4	15	1,754	33	225	16	65	263	118	164	32	11	2	0	8		
	30 to 50 years		10,190	888	372	175	11	16	10	1	4	49	7,090	55	234	46	292	246	221	384	36	3	5	1	53		
	More than 50 years		2,244	362	106	85	11	3	0	1	4	4	1,458	8	41	30	12	27	29	34	1	1	1	1	25		
Professional category	Executives and Managers	95%	60	16	0	4	5	3	0	1	0	0	21	0	0	1	1	2	2	2	1	0	0	0	0	1	
	Heads, supervisors and coordinators		268	17	0	4	4	0	0	0	0	0	210	4	2	3	6	2	3	10	2	0	0	0	0	1	
	Analysts and office clerks		904	43	84	6	3	1	18	1	4	5	603	9	7	23	26	14	16	22	7	0	4	0	12		
	Operational		14,649	1,637	574	300	14	39	3	3	8	63	9,468	83	491	65	336	518	347	548	59	15	4	2	72		

Number of recruits																											
Gender	Man	100%	32,590	9,489	740	352	59	144	24	442	674	145	6,528	627	1,279	160	428	2,383	3,512	3,237	201	41	43	31	90	1,961	
	Woman		13,906	4,445	232	79	106	5	12	26	454	14	2,465	182	518	26	28	907	1,514	1,376	37	32	28	17	18	1,385	
Age	Less than 30 years	100%	46,496	13,934	972	431	165	149	36	468	1,128	159	8,993	809	1,797	186	456	3,290	5,026	4,613	238	73	71	48	108	3,346	
	30 to 50 years		19,523	5,734	317	136	49	124	18	121	105	33	3,138	327	790	70	206	1,908	1,863	2,264	149	67	43	22	58	1,981	
	More than 50 years		22,956	6,659	544	219	79	25	18	265	513	115	5,530	451	849	93	246	1,243	2,807	2,226	86	5	27	25	49	882	
Professional category	Executives and Managers	100%	4,017	1,541	111	76	37	0	0	82	510	11	325	31	158	23	4	139	356	123	3	1	1	1	1	483	
	Heads, supervisors and coordinators		46,496	13,934	972	431	165	149	36	468	1,128	159	8,993	809	1,797	186	456	3,290	5,026	4,613	238	73	71	48	108	3,346	
	Analysts and office clerks		128	30	5	2	10	1	0	0	4	1	15	9	1	0	1	7	7	3	1	0	0	0	0	3	28
	Operational		421	65	5	32	5	5	1	3	12	1	65	27	43	6	9	18	48	20	4	1	3	1	2	45	
	Man	100%	2,422	361	238	14	25	10	32	2	4	16	946	150	79	26	41	120	141	133	3	4	13	5	12	47	
	Woman		43,525	13,478	724	383	125	133	3	463	1,108	141	7,967	623	1,674	154	405	3,145	4,830	4,457	230	68	55	42	91	3,226	

Breakdown of employees by professional category

Professional category	Executives and Managers	100%	1,018	293	27	25	6	3	8	5	10	5	240	145	29	14	22	33	16	50	8	0	4	0	8	67
	Man		830	236	20	20	6	2	6	4	8	4	209	121	22	10	17	25	11	38	7	0	2	0	5	57
	Woman		188	57	7	5	0	1	2	1	2	1	31	24	7	4	5	8	5	12	1	0	2	0	3	10
	Heads, supervisors and coordinators		3,118	452	46	96	27	19	22	13	60	5	820	596	267	58	61	149	27	215	5	2	26	4	27	121
	Man		2,367	319	35	82	21	14	17	10	53	4	661	468	205	43	45	107	17	141	5	1	3	2	23	91
	Woman		751	133	11	14	6	5	5	3	7	1	159	128	62	15	16	42	10	74	0	1	23	2	4	30
	Analysts and office clerks		9,919	2,111	396	129	42	11	57	14	57	47	2,480	1,720	438	303	199	868	183	453	76	39	57	15	109	115
	Man		5,635	1,263	254	72	13	10	22	4	31	33	1,107	1,108	270	188	142	568	113	205	53	29	34	9	52	55
	Woman		4,284	848	142	57	29	1	35	10	26	14	1,373	612	168	115	57	300	70	248	23	10	23	6	57	60
	Operational		126,703	27,074	4,436	3,780	818	514	868	558	1,832	524	35,437	14,712	4,205	1,567	1,565	8,952	2,969	9,537	535	206	396	74	1,205	4,939
	Man		102,600	21,120	3,723	3,156	573	511	539	539	1,470	486	29,637	12,060	3,423	1,482	1,439	7,743	2,188	7,219	489	145	329	60	1,144	3,125
	Woman		24,098	5,954	713	624	245	3	329	19	362	38	5,800	2,652	782	85	126	1,209	781	2,318	46	56	67	14	61	1,814
Professional category	Executives and Managers	100%	1,019	293	27	25	6	3	8	5	10	5	240	146	29	14	22	33	16	50	8	0	4	0	8	67
	Less than 30 years		1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	30 to 50 years		624	176	17	11	3	2	5	5	4	167	73	22	8	14	26	12	35	5	0	2	0	4	30	
	More than 50 years		394	116	10	14	3	0	6	0	5	1	73	73	7	6	8	7	4	15	3	0	2	0	4	37
	Heads, supervisors and coordinators		3,118	452	46	96	27	19	22	13	60	5	820	596	267	58	61	149	27	215	5	2	26	4	27	121
	Less than 30 years		132	19	0	2	0	2	0	2	0	53	10	6	0	6	5	2	14	1	0	1	0	0	0	7
	30 to 50 years		2,230	304	36	46	18	17	12	10	43	3	644	429	167	38	51	123	23	158	1	2	19	4	19	63
	More than 50 years		756	129	10	48	9	0	10	1	15	2	123	157	94	20	4	21	2	43	3	0	6	0	8	51
	Analysts and office clerks		9,918	2,111	396	129	42	11	57	14	57	47	2,480	1,719	438	303	199	868	183	453	76	39	57	15	109	115
	Less than 30 years		2,040	271	29	13	9	4	15	3	15	0	912	229	54	20	68	139	42	138	17	10	6	2	23	21
	30 to 50 years		6,390	1,341	275	63	24	7	34	10	23	34	1,399	1,256	294	214	120	617	128	282	53	24	46	13	70	63
	More than 50 years		1,488	499	92	53	9	0	8	1	19	13	169	234	90	69	11	112	13	33	6	5	5	0	16	31
Operational	126,703	27,074	4,436	3,780	818	514	868	558	1,832	524	35,437	14,712	4,205	1,567	1,565	8,952	2,969	9,537	535	206	396	74	1,205	4,939		
Less than 30 years	22,018	3,540	416	321	101	305	383	78	163	57	4,688	2,595	772	134	446	2,446	863	2,733	186	91	69	29	204	1,398		
30 to 50 years	74,616	13,634	2,863	1,822	333	206	455	267	579	385	24,910	9,311	2,105	816	1,077	5,182	1,646	5,689	291	94	277	41	827	1,806		
More than 50 years	30,069	9,900	1,157	1,637	384	3	30	213	1,090	82	5,839	2,806	1,328	617	42	1,324	460	1,115	58	21	50	4	174	1,735		

Number of employees with disabilities

	Number of persons with disabilities	95%	831	228	32	225	0	0	0	0	0	3	183	2	56	1	11	0	69	0	0	0	0	0	20
	Man		634	18	194	0	0	0	0	0	3	140	1	49	1	1	9	0	36	0	0	0	0	0	18
	Woman		197	64	14	31	0	0	0	0	0	43	1	7	0	0	2	0	33	0	0	0	0	0	2
	Percentage of persons with disabilities		—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%

Number of immigrant employees

	Number of immigrants on staff	100%	2,923	1,189	108
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Scope		Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA	
Average pay in Euro																										
Gender	Man	10,615	18,711	11,202	35,203	41,609	3,200	3,426	10,681	12,835	4,613	4,589	10,173	8,173	7,991	5,407	5,557	3,656	3,192	6,215	6,841	9,845	5,478	5,363	29,763	
	Woman	10,660	16,304	11,202	26,288	39,152	9,654	3,426	10,681	12,274	7,076	4,376	8,846	5,608	14,973	5,645	5,566	3,715	3,192	6,087	4,243	8,145	3,958	5,376	29,763	
Age	Less than 30 years	8,069	13,521	11,202	19,304	37,769	3,048	3,426	10,681	11,769	4,106	3,878	8,353	2,754	6,679	4,763	4,913	3,715	3,192	5,196	5,303	7,778	4,703	5,246	29,763	
	30 to 50 years	9,775	18,144	11,202	33,932	41,565	4,062	3,426	10,681	13,358	4,749	4,635	9,972	8,221	9,357	5,529	5,734	3,692	3,192	6,522	6,926	9,794	5,452	5,387	29,763	
	More than 50 years	14,951	20,835	11,202	34,286	41,319	4,358	9,711	10,681	12,642	5,212	4,769	11,141	9,376	7,991	6,550	5,663	3,650	3,192	6,781	7,081	10,046	6,406	5,438	29,763	
Professional category	Executives and Managers	69,205	85,920	68,568	84,900	179,141	61,042	27,473	80,242	118,447	58,915	39,039	69,646	76,908	59,404	55,853	64,637	72,947	43,468	52,772	0	43,897	0	27,356	117,842	
	Man	71,707	90,155	79,755	92,800	179,141	60,796	27,418	74,789	136,553	45,289	37,683	69,953	77,796	64,334	55,785	59,876	93,843	43,588	60,206	0	112,720	0	36,596	126,259	
	Woman	60,401	71,521	50,000	72,720	0	61,042	31,036	80,242	115,153	61,587	49,631	43,911	71,602	59,338	56,107	66,319	34,656	40,847	45,339	0	38,525	0	18,117	108,769	
	Heads, supervisors and coordinators	24,664	45,042	31,115	56,086	85,833	10,246	13,749	28,253	41,838	17,700	11,680	19,975	16,611	25,514	12,132	23,404	16,778	11,820	24,669	43,654	12,672	17,123	7,487	70,380	
	Man	24,807	46,112	30,528	56,739	91,509	9,796	13,690	28,253	44,661	16,651	11,447	20,316	16,405	23,018	13,773	22,448	20,134	11,835	24,669	29,777	12,744	0	7,436	70,963	
	Woman	24,724	42,253	32,220	51,100	68,038	12,444	16,469	26,248	37,761	19,502	14,330	19,217	18,428	28,014	9,964	25,228	13,506	11,262	0	57,532	11,378	17,123	9,468	69,442	
	Analysts and office clerks	13,678	24,044	13,452	34,245	44,444	3,933	4,295	15,039	28,129	7,557	6,557	13,889	11,859	15,701	6,731	8,415	9,045	6,303	8,381	7,057	8,994	6,603	5,719	47,305	
	Man	14,725	25,227	13,839	39,963	45,080	3,863	4,401	11,107	35,167	6,883	7,110	14,418	12,404	15,776	7,271	8,709	8,725	6,890	8,652	7,123	9,651	7,361	5,813	49,784	
	Woman	12,441	22,504	13,096	28,968	44,390	7,785	4,253	19,873	27,602	9,288	6,250	12,639	10,884	15,698	5,979	8,065	9,374	5,958	6,989	6,172	6,860	4,679	5,665	43,931	
	Operational	10,538	18,041	11,202	33,342	40,519	3,200	3,426	10,681	12,642	4,344	4,428	9,575	7,395	7,991	5,186	5,472	3,656	3,192	6,033	6,153	9,545	4,937	5,329	29,763	
Man	10,479	18,574	11,202	34,863	41,450	3,200	3,426	10,681	12,818	4,155	4,492	9,786	7,803	7,933	5,168	5,493	3,656	3,192	6,040	6,773	9,804	5,449	5,337	29,763		
Woman	10,326	14,595	11,202	25,709	37,730	196	3,426	10,681	12,045	6,985	4,102	8,436	3,856	8,703	5,268	5,357	3,715	3,192	5,381	3,814	8,145	1,773	5,246	29,763		
Wage gap																										
Wage gap	Wage gap	100%	9.4 %	14.3 %	4.8 %	26.0 %	8.4 %	85.2 %	-0.4 %	-1.6 %	6.4 %	-64.7 %	4.2 %	10.2 %	38.5 %	-6.1 %	6.2 %	8.3 %	-0.8 %	8.8 %	13.6 %	37.8 %	18.4 %	60.7 %	1.4 %	0.5 %
Professional category	Executives and Managers	100%	14.0 %	21.0 %	50.0 %	32.0 %	100.0 %	0.0 %	-13.0 %	-7.0 %	16.0 %	-36.0 %	-6.0 %	12.0 %	35.0 %	-37.0 %	18.0 %	29.0 %	59.0 %	-2.0 %	25.0 %	0.0 %	66.0 %	0.0 %	50.0 %	16.0 %
	Heads, supervisors and coordinators	100%	3.0 %	8.0 %	1.0 %	13.0 %	26.0 %	-27.0 %	-20.0 %	7.0 %	15.0 %	-17.0 %	-10.0 %	3.0 %	-6.0 %	-35.0 %	46.0 %	6.0 %	39.0 %	14.0 %	100.0 %	-93.0 %	11.0 %	0.0 %	-27.0 %	2.0 %
	Analysts and office clerks	100%	12.0 %	11.0 %	5.0 %	27.0 %	2.0 %	-102.0 %	3.0 %	-79.0 %	22.0 %	-35.0 %	17.0 %	8.0 %	15.0 %	4.0 %	25.0 %	14.0 %	0.0 %	20.0 %	20.0 %	13.0 %	29.0 %	36.0 %	3.0 %	11.0 %
	Operational	100%	11.0 %	21.0 %	5.0 %	26.0 %	7.0 %	94.0 %	0.0 %	0.0 %	6.0 %	-68.0 %	4.0 %	11.0 %	44.0 %	-7.0 %	2.0 %	8.0 %	-1.0 %	8.0 %	12.0 %	44.0 %	17.0 %	67.0 %	2.0 %	0.0 %
Trade union representation																										
	Number of employees who are trade union members	95%	35,094	5,713	723	1,142	0	0	0	0	505	0	6,031	12,974	3,172	744	0	1,053	2,924	113	0	0	0	0	0	0
	Percentage of employees who are trade union members	95%	25 %	19 %	15 %	28 %	— %	— %	— %	— %	26 %	— %	15 %	76 %	64 %	38 %	— %	11 %	92 %	1 %	— %	— %	— %	— %	— %	— %
Bargaining agreements																										
	Number of employees covered by a bargaining agreement	95%	108,058	29,930	4,629	3,808	0	0	0	0	0	38,977	14,512	3,172	403	1,847	2,866	2,924	3,685	0	0	0	0	0	0	1,305
	Percentage of employees covered by a bargaining agreement	95%	77 %	100 %	94 %	94 %	— %	— %	— %	— %	— %	— %	100 %	85 %	64 %	21 %	100 %	29 %	92 %	36 %	— %	— %	— %	— %	— %	97 %
Number of workers' representatives																										
	Number of employees elected by employees as workers' representatives (both union and individual)	95%	3,655	884	14	0	0	0	0	3	0	2,282	231	64	21	0	47	1	97	0	0	0	0	0	0	11
	Percentage of employees elected by employees as workers' representatives (both union and individual)	95%	3.0 %	3.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	6.0 %	1.0 %	1.0 %	1.0 %	0.0 %	0.0 %	0.0 %	1.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	1.0 %
Number of people with work-life balance																										
	Number of employees with some benefit associated with work-life balance	95%	813	600	5	0	0	0	0	0	0	0	0	91	0	117	0	0	0	0	0	0	0	0	0	0
	Percentage of employees with work-life balance	95%	1.0 %	2.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.0 %	0.0 %	6.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total number of training hours imparted																										
Gender	Man	95%	1,649,309	319,080	31,961	5,589	5,157	344	0	7,382	12,143	6,410	533,087	241,464	98,581	11,046	21,098	141,810	50,645	132,391	2,138	531	2,141	401	25,909	
	Woman	95%	406,120	72,132	8,441	1,502	608	0	0	289	3,286	546	131,368	78,029	27,696	3,175	2,801	7,638	21,502	41,013	918	270	638	255	4,013	
Professional category	Executives and Managers	95%	23,643	4,663	138	149	288	80	0	85	1,012	100	5,999	3,111	551	641	1,117	1,246	2,036	1,518	451	0	50	0	409	
	Heads, supervisors and coordinators	95%	89,030	9,426	186	1,250	23	0	168	1,085	970	22,497	21,237	5,326	4,687	2,353	4,687	1,526	3,022	11,999	600	42	961	438	1,235	
	Analysts and office clerks	95%	181,194	51,645	1,761	958	285	0	0	175	272	1,001	63,501	30,970	7,189	4,862	2,518	2,993	3,990	3,558	940	305	364	71	3,836	
	Operational	95%	1,761,563	325,479	38,317	4,734	5,169	264	0	7,243	13,060	4,885	572,459	264,175	113,211	6,366	15,579	143,683	63,099	156,329	1,065	454	1,402	148	24,443	

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA		
Total number of training hours imparted on human rights																												
Gender	Man	95%	28,870	553	470	0	0	0	0	0	0	95	12,578	284	0	6	194	5,227	4,941	3,113	81	21	236	18	1,054			
	Woman		9,181	116	72	0	0	0	0	0	0	0	40	2,878	127	0	3	13	165	4,441	1,080	38	14	66	10	117		
Professional category	Executives and Managers	95%	417	1	0	0	0	0	0	0	0	8	116	3	0	3	0	6	184	70	9	0	4	0	13			
	Heads, supervisors and coordinators		2,131	0	0	0	0	0	0	0	0	0	24	340	106	0	6	6	8	1,050	447	25	2	74	16	27		
	Analysts and office clerks		2,887	10	0	0	0	0	0	0	0	0	87	1,345	47	0	0	13	57	975	148	33	24	28	3	118		
	Operational		32,616	658	542	0	0	0	0	0	0	16	13,655	255	0	0	189	5,321	7,173	3,528	53	9	197	9	1,013			
Total number of training hours imparted on Occupational Safety																												
Gender	Man	95%	415,919	221,782	937	216	3,936	0	0	7,145	2,324	240	30,654	24,643	8,658	299	320	84,006	4,940	17,258	200	21	228	26	8,087			
	Woman		81,157	43,280	55	48	393	0	0	389	541	36	7,353	4,165	7,627	43	14	6,715	4,262	5,241	85	12	61	12	826			
Professional category	Executives and Managers	95%	1,956	361	0	176	24	0	0	12	56	33	226	282	0	5	0	315	269	135	11	0	2	0	49			
	Heads, supervisors and coordinators		17,335	1,123	0	76	22	0	0	39	232	49	971	2,873	1,628	38	110	6,201	642	3,026	30	0	58	20	198			
	Analysts and office clerks		26,405	5,556	0	12	12	0	0	42	128	62	3,421	10,734	1,629	64	11	2,988	649	268	29	0	35	3	762			
	Operational		451,379	258,022	992	0	4,271	0	0	7,441	2,449	132	33,388	14,919	13,028	235	212	81,216	7,642	19,070	216	33	194	15	7,904			
Investment in training																												
	Investment made in employee training (€M)	95%	10.3	5.8	0.0	0.8	0.3	0.0	0.0	0.0	0.1	0.2	1.4	0.3	1.2	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0			
Number of employees who receive performance and professional development evaluations regularly																												
Gender	Man	95%	13,846	1,521	4,029	131	610	24	16	68	97	43	1,649	2,448	383	175	1,224	635	120	400	62	17	51	11	132			
	Woman		5,251	882	876	61	283	8	14	23	35	32	1,019	799	172	90	203	365	82	187	22	9	21	7	61			
Percentage of employees who receive performance and professional development evaluations regularly																												
Gender	Man	100%	12.0 %	7.0 %	100.0 %	4.0 %	100.0 %	4.0 %	3.0 %	12.0 %	6.0 %	8.0 %	5.0 %	18.0 %	10.0 %	10.0 %	74.0 %	8.0 %	5.0 %	5.0 %	11.0 %	9.0 %	13.0 %	15.0 %	11.0 %	— %		
	Woman		18.0 %	13.0 %	100.0 %	9.0 %	100.0 %	80.0 %	4.0 %	70.0 %	9.0 %	59.0 %	14.0 %	23.0 %	17.0 %	41.0 %	100.0 %	23.0 %	n	7.0 %	31.0 %	13.0 %	22.0 %	32.0 %	49.0 %	— %		
Number of employees who benefited from maternity or paternity leave																												
Gender	Man	95%	2,068	678	139	51	3	8	11	0	2	0	429	173	0	27	59	220	72	141	0	0	0	0	55			
	Woman		1,205	179	22	32	9	0	45	2	1	1	621	44	47	10	25	70	9	71	7	5	2	0	3			
Number of employees who returned to work upon the conclusion of their maternity or paternity leave																												
Gender	Man	95%	1,948	614	124	37	0	0	11	0	0	0	429	161	0	27	59	220	70	141	0	0	0	0	55			
	Woman		1,113	143	20	8	2	0	45	0	0	0	621	39	39	10	25	70	5	71	7	3	2	0	3			
Number of employees who returned to work upon the conclusion of their maternity or paternity leave and remained at their jobs for 12 months following their return																												
Gender	Man	95%	1,643	614	29	0	3	0	11	0	2	0	385	79	0	27	54	173	70	141	0	0	0	0	55			
	Woman		737	143	0	0	5	0	45	0	1	1	317	36	7	10	24	58	5	71	7	2	2	0	3			
Turnover																												
Gender	Man	100%	36,555	9,297	995	473	133	93	121	217	1,027	153	10,257	1,263	1,433	238	492	2,823	3,380	3,170	187	31	53	21	271	427		
	Woman		12,312	3,979	315	130	85	5	103	15	303	7	2,309	187	496	29	29	47	817	1,249	1,539	24	28	20	13	41	571	
Age	Less than 30 years	100%	15,555	4,401	318	147	54	64	147	73	137	27	2,566	281	651	45	154	1,583	1,764	1,877	121	48	20	15	64	998		
	30 to 50 years		26,792	6,696	781	262	100	31	71	136	493	122	8,446	880	986	148	372	1,776	2,548	2,586	88	9	49	18	194	0		
	More than 50 years		6,520	2,179	211	194	64	3	6	23	700	11	1,554	289	292	74	13	281	317	246	2	2	4	1	54	0		
Professional category	Executives and Managers	100%	145	27	2	8	33	3	2	0	5	2	32	8	3	0	1	6	3	5	1	0	0	0	2	2		
	Heads, supervisors and coordinators		599	57	7	13	13	7	21	1	12	1	240	22	59	5	9	59	16	41	4	0	4	1	5	2		
	Analysts and office clerks		2,335	155	210	20	23	8	196	3	4	15	914	127	120	17	43	174	65	164	11	7	19	5	32	3		
	Operational		45,788	13,037	1,091	562	149	80	5	228	1,309	142	11,380	1,293	1,747	245	486	3,401	4,545	4,499	195	52	50	28	273	991		

Scope		Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA
Turnover (terminations/total employees)																									
Gender	Man	32.8 %	40.5 %	24.7 %	14.2 %	21.8 %	17.3 %	20.7 %	39.0 %	65.7 %	29.0 %	32.4 %	9.2 %	36.6 %	13.8 %	29.9 %	33.4 %	145.1 %	41.7 %	33.8 %	17.2 %	13.7 %	29.6 %	22.1 %	12.8 %
	Woman	42.0 %	56.9 %	36.0 %	18.6 %	30.0 %	50.0 %	27.8 %	45.5 %	76.3 %	13.0 %	31.4 %	5.5 %	48.7 %	13.2 %	23.0 %	52.4 %	144.2 %	58.0 %	34.3 %	41.8 %	21.1 %	59.1 %	32.8 %	29.8 %
Age	Less than 30 years	64.1 %	114.9 %	71.5 %	43.8 %	49.1 %	20.6 %	31.9 %	88.0 %	76.1 %	37.0 %	8.1 %	9.9 %	78.2 %	29.4 %	29.6 %	61.1 %	194.5 %	65.1 %	59.3 %	47.5 %	26.3 %	48.4 %	28.2 %	70.2 %
	30 to 50 years	31.9 %	43.3 %	24.5 %	13.5 %	26.5 %	13.3 %	16.1 %	46.6 %	75.8 %	28.6 %	26.7 %	7.8 %	38.1 %	13.7 %	29.5 %	29.9 %	140.9 %	42.0 %	25.1 %	7.5 %	14.2 %	31.0 %	21.1 %	— %
	More than 50 years	20.0 %	20.5 %	16.6 %	11.1 %	15.8 %	100.0 %	11.1 %	10.7 %	62.0 %	13.4 %	4.9 %	9.3 %	19.2 %	10.4 %	20.0 %	19.2 %	66.2 %	20.4 %	2.9 %	7.7 %	6.3 %	25.0 %	26.7 %	— %
Professional category	Executives and Managers	14.2 %	9.2 %	7.4 %	32.0 %	550.0 %	100.0 %	25.0 %	— %	50.0 %	40.0 %	0.1 %	5.5 %	10.3 %	— %	4.5 %	18.2 %	18.8 %	10.0 %	12.5 %	— %	— %	— %	25.0 %	3.0 %
	Heads, supervisors and coordinators	19.4 %	12.6 %	15.2 %	13.5 %	48.1 %	36.8 %	95.5 %	7.1 %	52.2 %	20.0 %	0.8 %	3.7 %	22.1 %	8.6 %	14.8 %	39.6 %	59.3 %	19.1 %	80.0 %	— %	15.4 %	100.0 %	17.2 %	1.7 %
	Analysts and office clerks	23.7 %	7.3 %	53.0 %	15.5 %	54.8 %	72.7 %	343.9 %	23.1 %	17.4 %	31.9 %	2.9 %	7.4 %	27.4 %	5.6 %	21.6 %	20.0 %	35.5 %	36.2 %	14.5 %	17.9 %	33.3 %	27.8 %	34.8 %	2.6 %
	Operational	36.1 %	48.2 %	24.6 %	14.9 %	18.2 %	15.6 %	0.6 %	40.9 %	68.8 %	27.1 %	36.0 %	8.8 %	41.5 %	15.6 %	31.1 %	38.0 %	153.1 %	47.2 %	36.4 %	25.2 %	12.6 %	37.8 %	22.4 %	20.1 %
Number of days worked by all Prosegur employees																									
Gender	Man	254,879,547	43,200,590	8,447,506	4,642,155	1,064,476	1,084,608	1,457,664	1,426,585	4,347,935	1,482,318	83,163,746	31,253,670	8,329,449	3,432,000	4,127,216	22,257,605	7,247,684	21,896,640	1,978,080	504,233	968,448	161,987	2,404,954	
	Woman	57,904,562	12,598,089	2,001,328	824,688	453,562	18,144	926,016	75,201	1,123,174	113,385	18,105,014	4,091,346	1,845,630	452,352	512,448	3,932,186	2,216,142	7,637,760	247,104	187,687	237,120	50,193	255,994	
Total number of days lost through absence																									
Gender	Man	9,126,999	2,352,513	631,515	427,432	28,745	720	0	10,181	41,960	11,896	893,588	2,675,218	801,468	168,643	10,894	537,512	6,150	379,432	90,636	88	2,464	176	55,768	
	Woman	2,612,094	867,293	189,528	74,979	9,880	184	0	628	14,184	572	294,961	337,335	411,184	20,294	2,136	126,896	2,859	245,000	8,964	40	80	48	5,048	
Total number of hours lost due to work accidents and professional illness																									
Gender	Man	1,241,438	250,210	28,116	0	4,203	240	0	3,877	8,854	1,152	15,418	634,689	13,552	8,092	13,192	11,848	110,784	114,160	0	176	15,888	2,064	4,923	
	Woman	178,497	54,580	3,548	0	2,663	0	0	0	2,232	0	6,661	49,623	4,272	1,200	1,464	472	42,672	1,640	0	208	6,176	992	93	
Rate of absenteeism		3.8 %	5.8 %	7.9 %	9.2 %	2.5 %	0.1 %	0.0 %	0.7 %	1.0 %	0.8 %	1.2 %	8.5 %	11.9 %	4.9 %	0.3 %	2.5 %	0.1 %	2.1 %	4.5 %	0.0 %	0.2 %	0.1 %	2.3 %	

- A. The scope of these KPIs excludes the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted.
- B. On 31 March 2021, Prosegur Compañía de Seguridad, S.A. signed with its subsidiary Prosegur Cash, S.A. a sale agreement for the purchase by Prosegur of certain areas of the added-value outsourcing services (AVOS) business for financial institutions and insurance companies, as well as the associated technology, from Prosegur Cash. As a result of this sale, the added-value outsourcing services (AVOS) business line on 31 March 2021 was no longer integrated in the CASH segment and was created as a new segment of the Group called AVOS (added-value outsourcing services).
- C. The data are presented at year close (31/12/2021).
- D. Indefinite contracts: Work contracts established for an indefinite period of time, in other words without end date.
Temporary contracts: Work contracts ending upon the expiry of a pre-set period of time or when a specific job for which a duration has been calculated comes to an end).
- E. Number of full-time employees: Number of employees as of 31/12/2021 who, as defined in legislation and national practice on working hours, work a full day.
Number of part-time employees: Number of employees as of 31/12/2021 in whose working day the provision of services is agreed for a number of hours per day, week, month or year that is fewer than the working day of a comparable full-time worker.
- F. Number of dismissals: Cumulative number from 01/01/2021 to 31/12/2021 of employees whose contract has been annulled by unilateral decision of the employer, including appropriate disciplinary dismissals and failure to pass the trial period.
- G. Number of recruits: Accumulated number of employees recruited from 01/01/2021 until 31/12/2021.
- H. Disabled employees: Employees as of 31/12/2021 with permanent mental or physical conditions that have been declared as limiting their capacities.
- I. Immigrant employees: Employees at 31/12/2021 from a country other than that where they are employed.
- J. Annual average pay: Median Annual Total Remuneration may include items such as salary, bonuses, share awards, share stock options, non-participating incentive plan compensation, changes in pension value, non-qualified deferred earnings, and any other remuneration.
- K. Wage gap: Consolidated wage gap (weighted median of wage gaps by professional category for the same country). Positive gap indicates the percentage by which the median salary for women is lower than the median salary for men and negative gap indicates the percentage by which the median salary for women is higher than the median salary for men. Calculated on the set of employees whose role is assigned in each of the professional categories described, taking into account the different lines of business to which the group belongs and weighting the number of workers in each case.

- L. People with work-life balance: Number of employees registered as of 31/12/2021 who have some type of adaptations in their working day or work system for the care of children/elders/sick relatives. Examples: temporary reductions in the working day, adaptation of timetables, teleworking or leave of absence.
- M. Hours of training given: Accumulative number of hours of training that employees received face-to-face or online from 01/01/2021 to 31/12/2021.
- N. Total number of training hours given on human rights: Accumulative number of hours of training in connection with human rights that employees received face-to-face or online from 01/01/2021 to 31/12/2021.
- Ñ. Hours of training given on occupational safety: Accumulative number of hours of training on occupational safety that employees received face-to-face or online from 01/01/2021 to 31/12/2021.
- O. Investment in training: Total invested in training (including costs of internal staff and suppliers) in millions of euro.
- P. Number of employees who receive performance and professional development evaluations regularly: Number of registered employees at 31/12/2021 who regularly receive performance and professional development evaluations.
- Q. Rotation: Accumulative number of employees from 01/01/2021 to 31/12/2021 who leave the organisation voluntarily or due to dismissal, retirement or death in service divided by the total number of employees as of 31/12/2021.
- R. Total number of hours lost through absence: Absence is understood as those employees who were absent from work due to any type of disability, not only due to accidents or professional illnesses. It does not include leave of absence (e.g. for training).
- S. Rate of absenteeism: Calculation of the total number of hours lost due to absence between the number of hours worked by all employees.

Health and occupational safety

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Guatemala	El Salvador	Honduras	Nicaragua	Ecuador	USA	
Total number of training hours imparted on occupational safety																											
Gender	Total	95%	497,075	265,062	992	264	4,329	0	0	7,534	2,865	276	38,006	28,808	16,285	342	333	90,721	9,202	22,499	285	33	289	38	8,913		
	Man		415,919	221,782	937	216	3,936	0	0	7,145	2,324	240	30,654	24,643	8,658	299	320	84,006	4,940	17,258	200	21	228	26	8,087		
	Woman		81,157	43,280	55	48	393	0	0	389	541	36	7,353	4,165	7,627	43	14	6,715	4,262	5,241	85	12	61	12	826		
Total number of occupational accidents																											
Severity	Total	95%	2,831	754	150	142	23	11	3	0	16	4	322	568	168	29	31	115	58	399	0	4	3	8	23		
	Minor accident victims		2,716	748	150	142	22	10	3	0	14	2	283	558	168	29	16	108	49	379	0	3	3	8	21		
	Man		2,358	626	126	128	19	10	3	0	11	2	234	525	128	27	16	103	31	340	0	1	3	7	18		
	Woman		358	122	24	14	3	0	0	0	3	0	49	33	40	2	0	5	18	39	0	2	0	1	3		
	Serious accident victims		106	5	0	0	1	1	0	0	2	2	35	9	0	0	15	6	9	18	0	1	0	0	2		
	Man		93	5	0	0	1	1	0	0	2	2	27	9	0	0	14	6	8	15	0	1	0	0	2		
	Woman		13	0	0	0	0	0	0	0	0	0	8	0	0	0	1	0	1	3	0	0	0	0	0		
	Fatal accident victims		9	1	0	0	0	0	0	0	0	0	4	1	0	0	0	1	0	2	0	0	0	0	0	0	
	Man		9	1	0	0	0	0	0	0	0	0	4	1	0	0	0	1	0	2	0	0	0	0	0	0	
	Woman		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Number of days lost owing to occupational accidents																										
Gender	Total	95%	129,880	58,161	4,290	1,944	109	157	117	0	362	162	26,530	15,079	1,433	374	1,798	1,952	1,604	14,471	0	660	102	193	382		
	Man		116,019	47,791	3,659	1,775	101	157	117	0	298	162	25,686	14,345	1,211	344	1,621	1,881	1,335	14,273	0	610	102	182	369		
	Woman		13,861	10,370	631	169	8	0	0	0	64	0	844	734	222	30	177	71	269	198	0	50	0	11	13		
Total number of occupational illness cases																											
Gender	Total	95%	81	0	2	0	0	0	0	0	0	0	0	10	26	0	20	0	0	23	0	0	0	0	0		
	Man		45	0	2	0	0	0	0	0	0	0	0	7	18	0	17	0	0	1	0	0	0	0	0		
	Woman		36	0	0	0	0	0	0	0	0	0	0	3	8	0	3	0	0	22	0	0	0	0	0		
KPIs																											
			9.05																								
			20.11																								
		95%	0.42																								
			0.06																								
			3.53																								

- A. The scope of these KPIs excludes the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted.
- B. The data are presented at year close (31/12/2021).
- C. Minor accident: Number of persons who sustained an accident not considered serious or fatal.
 Serious accident: Any accident that results in the amputation of a body part; long-bone fractures (femur, tibia, fibular, humerus, radius and ulna); trauma to the head; second and third-degree burns; severe hand injuries, such as crushing or burns; severe injuries to the backbone with spinal cord involvement; eye injuries that compromise visual sharpness or field of vision or injuries that compromise hearing.
 Fatal accident: Number of persons who died as a result of conditions deriving from an occupational accident within one year of the current one.
- D. Days lost owing to occupational accidents: Number of workdays lost by the injured worker as a result of temporary disability, regardless of whether the position is full- or part-time.
- E. Occupational illnesses: Pathological condition acquired as a result of the work or exposure to the setting in which the employee performs occupational tasks.
- F. Frequency Rate: Represents the number of occupational accidents that occur per million hours worked.
- G. Incidence Rate: Represents the number of occupational accidents that occur per thousand workers.
- H. Severity Rate: Number of workdays lost per thousand hours worked.
- I. Fatality Rate: Number of fatal accidents that occur per thousand workers.
- J. Training Rate: Represents the number of training hours on Safety and Health per worker.

2020 comparative data

Scope		Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Total no. of employees		147,231	31,277	5,243	4,226	1,001	0,496	1,145	0,529	1,915	0,587	43,705	17,766	5,084	2,024	1,865	10,358	3,104	10,041	1,407	1,555	3,903
Summary of total no. of employees																						
Gender	Man	118,338	24,192	4,283	3,487	664	487	689	493	1,535	544	36,249	14,410	4,087	1,801	1,645	8,887	2,438	7,327	1,177	1,406	2,537
	Woman	28,893	7,085	960	739	337	9	456	36	380	43	7,456	3,356	997	223	220	1,471	666	2,714	230	149	1,366
Age	Less than 30 years	24,136	3,245	540	333	149	301	629	106	239	76	6,265	3,217	914	174	559	2,647	826	2,346	421	252	897
	30 to 50 years	90,710	17,289	3,500	2,086	460	190	466	223	723	429	30,596	11,849	2,574	1,103	1,247	6,476	1,857	6,184	850	1,060	1,548
	More than 50 years	32,385	10,743	1,203	1,807	392	5	50	200	953	82	6,844	2,700	1,596	747	59	1,235	421	1,511	136	243	1,458
Professional category	Executives and Managers	1,230	300	24	39	7	31	11	7	12	9	260	139	31	15	26	34	22	55	17	7	184
	Heads, supervisors and coordinators	3,326	518	53	68	43	25	17	11	81	3	953	607	43	69	113	133	102	219	67	35	166
	Analysts and office clerks	9,200	1,985	363	151	38	17	84	25	22	76	2,409	1,365	490	122	155	1,024	116	495	102	126	35
	Operational	133,475	28,474	4,803	3,968	913	423	1,033	486	1,800	499	40,083	15,655	4,520	1,818	1,571	9,167	2,864	9,272	1,221	1,387	3,518
Average number of employees per year																						
Employee type	Operational	142,058	29,789	5,562	3,785	845	455	1,041	622	1,848	648	42,971	14,713	5,021	2,000	1,728	10,719	3,338	9,830	1,407	1,560	4,176
	Man	118,053	23,340	4,643	3,161	591	453	793	605	1,504	625	36,409	13,418	4,133	1,816	1,541	9,454	2,608	7,793	1,200	1,471	2,495
	Woman	24,005	6,449	919	624	254	2	248	17	344	23	6,562	1,295	887	184	187	1,265	730	2,037	207	89	1,681
	Indirect	9,750	2,815	457	220	86	31	112	47	131	88	1,477	1,296	735	179	130	576	133	587	176	158	317
	Man	6,043	1,876	297	149	39	24	60	26	90	57	791	840	516	116	92	333	79	264	105	84	205
Woman	3,707	939	159	71	47	7	52	21	41	31	685	456	219	63	38	243	54	323	71	74	112	
Number of employees per types of contracts																						
Gender	Man	118,338	24,192	4,283	3,487	664	487	689	493	1,535	544	36,249	14,410	4,087	1,801	1,645	8,887	2,438	7,327	1,177	1,406	2,537
	Indefinite	99,158	20,231	3,177	2,795	334	11	689	1	1,535	544	36,110	14,387	3,821	1,795	1,579	6,625	2,331	1,093	1,167	1,397	2,536
	Temporary	19,180	3,961	1,106	692	330	476	0	492	0	0	139	23	266	6	66	5,262	107	6,234	10	9	1
	Woman	28,893	7,085	960	739	337	9	456	36	380	43	7,456	3,356	997	223	220	1,471	666	2,714	230	149	1,366
	Indefinite	23,648	5,530	610	583	121	4	456	1	380	43	7,326	3,354	855	221	209	823	641	751	228	147	1,365
Temporary	5,245	1,555	350	156	216	5	0	35	0	0	130	2	142	2	11	648	25	1,963	2	2	1	
Age	Less than 30 years	24,136	3,245	540	333	149	301	629	106	239	76	6,265	3,217	914	174	559	2,647	826	2,346	421	252	897
	Indefinite	16,884	1,837	102	124	34	1	629	0	239	76	5,996	3,214	767	170	535	515	800	292	411	246	896
	Temporary	7,252	1,408	438	209	115	300	0	106	0	0	269	3	147	4	24	2,132	26	2,054	10	6	1
	30 to 50 years	90,710	17,289	3,500	2,086	460	190	466	223	723	429	30,596	11,849	2,574	1,103	1,247	6,476	1,857	6,184	850	1,060	1,548
	Indefinite	77,139	14,389	2,602	1,625	229	13	466	2	723	429	30,596	11,827	2,353	1,101	1,199	3,132	1,769	1,235	848	1,055	1,547
Temporary	13,571	2,901	898	461	231	177	0	221	0	0	0	22	221	2	48	3,344	88	4,949	2	5	1	
More than 50 years	32,385	10,743	1,203	1,807	392	5	50	200	953	82	6,844	2,700	1,596	747	59	1,235	421	1,511	136	243	1,458	
Indefinite	28,785	9,536	1,083	1,629	192	1	50	0	953	82	6,844	2,700	1,556	747	54	801	403	317	136	243	1,458	
Temporary	3,600	1,207	120	178	200	4	0	200	0	0	0	0	40	0	5	434	18	1,194	0	0	0	
Professional category	Executives and Managers	1,230	300	24	39	7	31	11	7	12	9	260	139	31	15	26	34	22	55	17	7	184
	Indefinite	1,194	297	24	37	7	14	11	1	12	9	260	139	31	15	26	29	22	54	16	7	183
	Temporary	36	3	0	2	0	17	0	6	0	0	0	0	0	0	0	5	0	1	1	0	1
	Heads, supervisors and coordinators	3,326	518	53	68	43	25	17	11	81	3	953	607	43	69	113	133	102	219	67	35	166
	Indefinite	3,143	510	53	65	41	0	17	0	81	3	953	607	43	69	108	69	93	163	67	35	166
	Temporary	183	8	0	3	2	25	0	11	0	0	0	0	0	0	5	64	9	56	0	0	0
	Analysts and office clerks	9,200	1,985	363	151	38	17	84	25	22	76	2,409	1,365	490	122	155	1,024	116	495	102	126	35
	Indefinite	8,078	1,944	275	140	30	1	84	1	22	76	2,143	1,363	459	122	143	551	105	357	102	126	34
	Temporary	1,122	41	88	11	8	16	0	24	0	0	266	2	31	0	12	473	11	138	0	0	1
Operational	133,475	28,474	4,803	3,968	913	423	1,033	486	1,800	499	40,083	15,655	4,520	1,818	1,571	9,167	2,864	9,272	1,221	1,387	3,518	
Indefinite	110,399	23,010	3,435	3,136	377	0	1,033	0	1,800	499	40,080	15,632	4,143	1,812	1,511	3,804	2,753	1,270	1,210	1,376	3,518	
Temporary	23,076	5,464	1,368	832	536	423	0	486	0	0	3	23	377	6	60	5,363	111	8,002	11	11	0	

	Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Yearly contract average																						
Gender	Man	97,812	21,339	577	3,513	632	477	703	507	1,594	682	37,200	732	4,651	173	344	9,787	2,886	8,056	1,254	22	2,684
	Indefinite full time	74,984	18,240	85	2,541	319	11	703	1	1,133	682	34,879	576	4,268	173	267	3,594	2,869	1,168	1,229	19	2,227
	Indefinite part time	4,234	665	9	272	0	0	0	0	0	461	0	2,194	156	19	0	0	1	0	0	0	456
	Temporary full time	17,388	1,877	448	525	0	466	0	506	0	0	8	0	8	0	0	77	6,184	17	6,888	24	3
	Temporary part time	1,206	556	35	175	313	0	0	0	0	0	119	0	0	0	0	0	8	0	0	0	0
	Woman	24,105	5,823	183	743	305	9	451	36	385	54	7,247	936	1,106	8	24	1,508	863	2,360	264	6	1,793
	Indefinite full time	17,855	4,431	18	395	117	4	451	1	326	54	6,670	432	944	8	10	790	852	645	239	2	1,466
	Indefinite part time	1,978	469	2	192	0	0	0	0	59	0	460	456	1	0	0	9	0	0	2	1	327
	Temporary full time	3,629	660	154	97	0	5	0	35	0	8	48	161	0	14	694	11	1,715	24	3	0	0
	Temporary part time	643	262	9	59	188	0	0	0	0	0	109	0	0	0	0	15	0	0	0	0	0
Age	Less than 30 years	21,236	2,268	259	320	127	293	635	108	269	97	5,887	888	1,079	81	178	2,909	1,419	2,290	453	19	1,659
	Indefinite full time	12,798	1,275	13	83	33	1	635	0	240	97	4,962	504	863	81	147	449	1,412	2,55	430	17	1,301
	Indefinite part time	1,686	198	0	27	0	0	0	0	29	0	682	384	3	0	0	4	0	0	2	0	357
	Temporary full time	6,082	547	222	152	0	292	0	108	0	15	0	213	0	31	2,436	7	2,035	21	2	1	0
	Temporary part time	671	247	24	58	94	0	0	0	0	0	228	0	0	0	0	20	0	0	0	0	0
	30 to 50 years	73,550	15,231	442	2,065	437	188	479	229	709	538	31,163	756	2,835	95	182	7,020	2,098	6,397	917	8	1,761
	Indefinite full time	57,379	12,645	71	1,411	213	13	479	2	579	538	29,357	504	2,564	95	127	3,087	2,079	1,206	904	3	1,502
	Indefinite part time	3,324	651	8	196	0	0	0	0	130	0	1,805	252	15	0	0	6	0	0	1	1	259
	Temporary full time	12,124	1,532	344	385	0	175	0	227	0	0	0	256	0	55	3,923	19	5,191	13	4	0	0
	Temporary part time	722	402	19	73	224	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0
	More than 50 years	27,132	9,664	59	1,871	373	5	40	206	1,001	101	7,398	24	1,843	5	8	1,363	232	1,730	148	1	1,057
	Indefinite full time	22,697	8,752	19	1,442	189	1	40	0	640	101	7,230	19	1,790	5	3	847	230	351	147	1	890
	Indefinite part time	1,233	285	3	241	0	0	0	0	361	0	168	5	3	0	0	0	0	0	0	0	167
Temporary full time	2,745	458	36	86	0	4	0	206	0	0	0	0	50	0	5	519	2	1,378	1	0	0	
Temporary part time	456	169	1	102	184	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Professional category	Executives and Managers	958	281	0	36	8	31	3	7	12	12	259	12	29	3	2	32	14	56	18	1	142
	Indefinite full time	917	278	0	30	8	14	3	1	12	12	259	12	29	3	2	26	13	56	17	1	141
	Indefinite part time	7	2	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Temporary full time	34	1	0	2	0	17	0	6	0	0	0	0	0	0	0	6	1	0	1	0	0
	Temporary part time	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Heads, supervisors and coordinators	2,456	471	3	68	42	25	5	11	91	4	965	60	45	1	9	123	76	254	70	0	133
	Indefinite full time	2,228	462	2	60	40	0	5	0	91	4	965	60	43	1	7	56	75	166	70	0	122
	Indefinite part time	26	9	1	5	0	0	0	0	0	0	0	0	0	0	0	2	67	1	0	0	11
	Temporary full time	198	0	0	2	0	25	0	11	0	0	0	0	0	0	0	0	8	0	0	0	0
	Temporary part time	4	1	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Analysts and office clerks	6,925	1,780	151	147	34	17	83	25	28	90	2,365	60	523	17	32	898	57	467	113	4	33
	Indefinite full time	5,743	1,721	12	120	28	1	83	1	28	90	2,087	60	495	17	11	461	54	333	109	2	30
	Indefinite part time	91	31	0	18	0	0	0	0	0	0	38	0	0	0	0	0	0	0	0	0	3
	Temporary full time	848	26	139	2	0	16	0	24	0	0	12	0	28	0	21	437	3	134	4	2	0
	Temporary part time	243	2	0	7	6	0	0	0	0	0	228	0	0	0	0	0	0	0	0	0	0
	Operational	111,579	24,630	606	4,005	853	413	1,063	500	1,848	630	40,858	1,536	5,160	160	325	10,242	3,602	9,640	1,317	23	4,169
	Indefinite full time	83,992	20,211	89	2,726	348	0	1,063	0	1,328	630	38,239	924	4,644	160	258	3,845	3,579	1,259	1,270	18	3,401
	Indefinite part time	6,087	1,092	10	436	0	0	0	0	520	0	2,616	612	20	0	0	10	0	0	3	0	768
Temporary full time	19,888	2,510	464	617	0	413	0	500	0	0	3	0	496	0	67	6,364	23	8,382	44	5	0	
Temporary part time	1,613	816	43	226	505	0	0	0	0	0	0	0	0	0	0	23	0	0	0	0	0	
Number of employees per types of Working Day																						
Gender	Man	118,338	24,192	4,283	3,487	664	487	689	493	1,535	544	36,249	14,410	4,087	1,801	1,645	8,887	2,438	7,327	1,177	1,406	2,537
	Full time	111,327	21,442	3,875	3,069	334	487	689	493	1,092	544	33,971	14,329	4,084	1,801	1,645	8,879	2,438	7,327	1,177	1,406	2,245
	Part time	7,011	2,750	408	418	330	0	0	0	443	0	2,278	81	0	0	0	0	0	0	0	0	292
	Woman	28,893	7,085	960	739	337	9	456	36	380	43	7,456	3,356	997	223	220	1,471	666	2,714	230	149	1,366
Full time	26,024	5,669	866	498	121	9	456	36	321	43	6,851	3,329	979	223	220	1,451	666	2,714	227	148	1,197	
Part time	2,869	1,416	94	241	216	0	0	0	59	0	605	27	18	0	0	20	0	0	3	1	169	
Age	Less than 30 years	24,135	3,245	540	333	149	301	629	106	238	76	6,265	3,217	914	174	559	2,647	826	2,346	421	252	897
	Full time	21,705	2,253	485	253	34	301	629	106	213	76	5,322	3,184	911	174	559	2,627	826	2,346	418	251	737
	Part time	2,430	992	55	80	115	0	0	0	25	0	943	33	3	0	0	20	0	0	3	1	160
	30 to 50 years	90,711	17,289	3,500	2,086	460	190	466	223	724	429	30,596	11,849	2,574	1,103	1,247	6,476	1,857	6,184	850	1,060	1,548
	Full time	85,618	15,313	3,038	1,834	229	190	466	223	588	429	28,804	11,782	2,561	1,103	1,247	6,468	1,857	6,184	850	1,060	1,392
	Part time	5,093	1,976	462	252	231	0	0	136	0	179	67	13	0	0	0	8	0	0	0	0	156
More than 50 years	32,385	10,743	1,203	1,807	392	5	50	200	953	82	6,844	2,700	1,596	747	59	1,235	421	1,511	136	243	1,458	
Full time	29,897	9,545	1,085	1,480	192	5	50	200	612	82	6,696	2,692	1,593	747	59	1,235	421	1,511	136	243	1,313	
Part time	2,488	1,198	118	327	200	0	0	0	341	0	148	8	3	0	0	0	0	0	0	0	145	
Professional category	Executives and Managers	1,230	300	24	39	7	31	11	7	12	9	260	139	31	15	26	34					

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Number of dismissals			11.8 %	4.6 %	10.9 %	1.0 %	2.4 %	19.8 %	6.1 %	2.1 %	0.5 %	12.1 %	19.1 %	0.8 %	55.6 %	11.0 %	22.1 %	7.2 %	14.9 %	5.8 %	12.8 %	1.1 %	26.9 %
Gender	Man	100.0%	13,981	981	441	37	19	95	46	9	64	7,056	115	2,306	187	380	650	362	473	145	14	592	
	Woman		3,359	462	132	7	5	3	24	2	0	7	1,298	29	520	35	33	95	101	112	35	3	456
Age	Less than 30 years	100.0%	17,340	1,443	573	44	24	98	70	11	9	71	8,354	144	2,826	222	413	745	463	585	80	1	1,048
	30 to 50 years		4,328	400	134	26	9	33	26	0	4	6	1,417	44	1,023	18	103	338	126	164	80	1	363
	More than 50 years		9,841	789	383	5	10	61	28	7	3	54	5,332	83	1,200	118	302	358	282	350	84	13	379
Professional category	Executives and Managers	100.0%	13,981	981	441	37	19	95	46	9	64	7,056	115	2,306	187	380	650	362	473	145	14	592	
	Heads, supervisors and coordinators		105	30	0	0	0	6	0	5	0	1	25	0	1	2	0	2	7	2	2	0	22
	Analysts and office clerks		276	17	0	0	0	3	0	0	0	2	147	1	6	3	13	6	29	12	13	2	22
	Operational		970	182	74	0	3	2	15	6	0	4	362	6	142	24	56	26	24	34	3	2	5
			17,340	1,214	499	44	21	87	55	0	9	64	7,820	137	2,677	193	344	711	403	537	162	13	999

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Number of recruits			27,114	7,946	577	303	135	168	66	344	860	179	6,344	434	1,217	173	344	1,898	2,891	2,167	172	251	645
Gender	Man	100.0%	9,333	3,156	191	80	81	4	64	36	218	5	1,926	231	362	8	24	357	866	1,176	42	52	454
	Woman		36,447	11,102	768	383	216	172	130	380	1,078	184	8,270	665	1,579	181	368	2,255	3,757	3,343	114	303	1,099
Age	Less than 30 years	100.0%	13,193	3,678	246	107	68	129	89	142	157	44	2,679	361	686	81	178	999	1,419	1,313	114	221	482
	30 to 50 years		19,770	6,004	458	211	101	43	41	183	393	128	5,123	282	777	95	182	1,143	2,106	1,898	95	72	435
	More than 50 years		3,484	1,420	64	65	47	0	55	528	12	468	22	116	5	8	113	232	132	5	10	182	
Professional category	Executives and Managers	100.0%	36,447	11,102	768	383	216	172	130	380	1,078	184	8,270	665	1,579	181	368	2,255	3,757	3,343	114	303	1,099
	Heads, supervisors and coordinators		143	34	0	4	2	5	0	4	1	2	13	4	2	3	2	14	7	5	10	29	
	Analysts and office clerks		304	48	2	3	7	0	0	17	4	65	12	5	1	9	11	72	19	11	0	18	
	Operational		1,651	431	144	14	13	2	13	5	5	12	483	58	83	17	32	101	61	112	15	39	11
			34,349	10,589	622	362	194	165	117	371	1,055	166	7,709	591	1,489	160	325	2,141	3,610	3,205	183	254	1,041
			36,447																				

Breakdown of employees by professional category

Professional category	Gender	Scope	Employees																							
			Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA			
Executives and Managers	Man	100.0%	1,230	300	24	39	7	31	11	7	12	9	260	139	31	15	26	34	22	55	17	7	184			
			994	245	20	29	6	29	8	6	9	8	225	116	24	11	21	27	17	41	11	5	136			
	Woman		236	55	4	10	1	2	3	1	3	1	35	23	7	4	5	7	5	14	6	2	48			
	Heads, supervisors and coordinators		3,326	518	53	68	43	25	17	11	81	3	953	607	43	69	113	133	102	219	67	35	166			
			Man	2,579	385	38	56	23	25	12	7	68	3	791	486	34	51	90	99	85	135	55	29	107		
			Woman	747	133	15	12	20	0	5	4	13	0	162	121	9	18	23	34	17	84	12	6	59		
			Analysts and office clerks	9,200	1,985	363	151	38	17	84	25	22	76	2,409	1,365	490	122	155	1,024	116	495	102	126	35		
				Man	5,234	1,232	224	93	10	15	40	9	3	48	1,108	849	315	76	98	669	74	239	59	63	10	
				Woman	3,966	753	139	58	28	2	44	16	19	28	1,301	516	175	46	57	355	42	256	43	63	25	
				Operational	133,475	28,474	4,803	3,968	913	423	1,033	486	1,800	499	40,083	15,655	4,520	1,818	1,571	9,167	2,864	9,272	1,221	1,387	3,518	
Man		109,543			22,330	4,001	3,309	625	423	629	471	1,455	485	34,125	12,959	3,712	1,663	1,436	8,092	2,262	6,912	1,057	1,309	2,288		
Woman	23,932	6,144			802	659	288	0	404	15	345	14	5,958	2,696	808	155	135	1,075	602	2,360	164	78	1,230			
			1,230		300	24	39	7	31	11	7	12	9	260	139	31	15	26	34	22	55	17	7	184		
Professional category	Executives and Managers	Less than 30 years	19	2	0	0	0	2	0	0	0	0	1	0	0	0	3	0	0	0	0	0	11			
		30 to 50 years	800	207	15	16	3	28	3	7	6	6	183	84	21	9	17	27	18	35	13	2	100			
		More than 50 years	411	91	9	23	4	1	8	0	6	3	76	55	10	6	6	7	4	20	4	5	73			
	Heads, supervisors and coordinators	3,325	518	53	68	43	25	17	11	81	3	953	607	43	69	113	133	101	219	67	35	166				
		Less than 30 years	189	23	0	3	2	4	0	1	6	0	53	12	0	2	14	5	9	12	15	0	28			
		More than 50 years	2,425	337	42	34	31	21	7	9	51	2	751	467	30	46	92	117	82	163	45	23	75			
	Analysts and office clerks	9,201	1,985	363	151	38	17	84	25	22	76	2,409	1,365	490	122	155	1,024	117	495	102	126	35				
		Less than 30 years	1,909	219	37	16	7	8	95	7	9	6	853	179	57	19	61	188	36	129	22	17	4			
		30 to 50 years	6,006	1,322	255	77	20	9	39	17	11	58	1,383	1,049	312	82	87	717	74	312	71	88	23			
	Operational	1,286	444	71	58	11	0	10	1	2	12	173	137	121	21	7	119	7	54	9	21	8				
		Man	133,475	28,474	4,803	3,968	913	423	1,033	486	1,800	499	40,083	15,655	4,520	1,818	1,571	9,167	2,864	9,272	1,221	1,387	3,518			
		Less than 30 years	22,019	3,001	503	314	140	287	594	98	224	71	5,358	3,024	857	153	483	2,454	781	2,205	384	235	853			
		More than 50 years	81,505	15,423	3,188	1,959	406	132	417	190	655	382	28,279	10,256	2,211	966	1,051	5,615	1,683	5,674	721	947	1,350			
			29,951	10,050	1,112	1,695	367	1,112	22	198	921	46	6,446	2,375	1,452	699	37	1,098	400	1,393	116	205	1,315			

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Number of employees with disabilities			819	249	24	242	0	0	0	0	0	3	177	2	28	0	0	8	0	55	2	27	2
		100.0%	0.6 %	0.8 %	0.5 %	5.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.5 %	0.4 %	0.0 %	0.6 %	0.0 %	0.0 %	0.1 %	0.0 %	0.5 %	0.1 %	1.7 %	0.1 %

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Number of immigrant employees			3,331	1,268	115	547	2	2	1	0	614	1	27	267	53	138	30	12	3	14	5	1	231
		100.0%	2.3 %	4.1 %	2.2 %	12.9 %	0.2 %	0.4 %	0.1 %	0.0 %	32.1 %	0.2 %	0.1 %	1.5 %	1								

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA
Total number of training hours imparted on human rights																							
Gender	Man	100.0%	247,007	1,453	1,499	0	0	40	0	24	0	160	5,567	1,851	1	0	91	138,522	93,993	3,773	32	0	0
	Woman		76,925	251	225	0	0	8	0	19	0	48	1,411	466	13	0	9	16,117	57,606	734	19	0	0
Professional category	Executives and Managers	100.0%	2,708	0	0	0	0	24	0	25	0	80	105	0	0	0	0	2,323	147	0	4	0	0
	Heads, supervisors and coordinators		7,326	0	0	0	0	8	0	0	0	48	328	8	2	0	5	5,273	1,640	0	14	0	0
	Analysts and office clerks		23,879	12	0	0	0	8	0	18	0	48	442	27	12	0	4	22,131	1,155	0	22	0	0
	Operational		290,021	1,692	1,724	0	0	8	0	0	0	32	6,104	2,282	0	0	91	124,913	148,657	4,507	11	0	0
Total number of training hours imparted on Occupational Safety																							
Gender	Man	100.0%	660,193	295,456	331	0	424	24	16	6,936	1,727	80	17,161	13,573	48,437	462	1,063	229,605	6,451	37,463	71,650.0 %	268	0
	Woman		111,811	54,676	19	0	231	0	8	257	732	0	5,143	1,633	21,203	88	234	9,222	3,953	14,256	12,950.0 %	27	0
Professional category	Executives and Managers	100.0%	4,964	1,761	0	0	10	16	8	89	24	80	291	152	0	7	164	1,846	10	485	2100.0 %	0	0
	Heads, supervisors and coordinators		20,340	3,584	0	0	308	0	16	0	136	0	1,206	1,487	2	55	188	11,400	113	1,745	8800.0 %	13	0
	Analysts and office clerks		43,706	23,533	9	0	80	8	0	132	64	0	1,850	3,739	4,620	100	342	5,377	79	3,684	7600.0 %	13	0
	Operational		702,994	321,254	341	0	257	0	0	6,972	2,235	0	18,958	9,828	65,018	388	603	220,204	10,202	45,805	66100.0 %	269	0
Investment in training																							
	Investment made in employee training (€M)	100.0%	8.1	5.2	0.1	0.2	0.1	0.0	0.0	0.0	0.1	0.1	1.2	0.2	0.5	0.0	0.1	0.1	0.1	0.0	3.3 %	0.0	0.1
Number of employees who receive performance and professional development evaluations regularly																							
Gender	Man	100.0%	12,724	1,723	4,283	125	664	24	1	63	61	40	1,280	2,194	338	176	184	738	96	410	136	71	117
	Woman		6,726	909	960	69	337	2	1	22	34	27	819	2,233	203	94	94	417	53	255	61	77	59
Percentage of employees who receive performance and professional development evaluations regularly																							
Gender	Man	100.0%	10.8 %	7.1 %	100.0 %	3.6 %	100.0 %	4.9 %	0.1 %	12.8 %	4.0 %	7.4 %	3.5 %	15.2 %	8.3 %	9.8 %	11.2 %	8.3 %	3.9 %	5.6 %	12.0 %	5.0 %	4.6 %
	Woman		23.3 %	12.8 %	100.0 %	9.3 %	100.0 %	22.2 %	0.2 %	61.1 %	8.9 %	62.8 %	11.0 %	66.5 %	20.4 %	42.2 %	42.7 %	28.3 %	8.0 %	9.4 %	27.9 %	51.7 %	4.3 %
Number of employees who benefited from maternity or paternity leave																							
Gender	Man	100.0%	2,196	1,002	145	45	0	0	11	0	11	0	466	192	0	41	62	0	73	125	100.0 %	19	3
	Woman		1,062	270	30	39	3	0	36	3	2	3	271	110	65	11	24	79	6	62	16	5	27
Number of employees who returned to work upon the conclusion of their maternity or paternity leave																							
Gender	Man	100.0%	2,059	910	136	39	0	0	8	0	0	0	466	179	0	41	62	0	73	125	100.0 %	19	0
	Woman		897	220	24	12	3	0	9	0	0	0	271	88	65	11	26	79	6	62	16	5	0
Number of employees who returned to work upon the conclusion of their maternity or paternity leave and remained at their jobs for 12 months following their return																							
Gender	Man	100.0%	1,952	910	10	122	0	0	11	0	10	0	435	175	0	41	62	0	46	125	300.0 %	0	2
	Woman		828	220	0	75	3	0	17	0	1	1	194	84	32	11	22	79	4	62	12	0	11
Turnover																							
			26.9 %	12.3 %	10.6 %	15.8 %	18.0 %	30.6 %	26.2 %	91.5 %	52.9 %	25.4 %	23.3 %	11.8 %	56.1 %	21.8 %	28.8 %	35.0 %	140.5 %	54.3 %	29.1 %	29.3 %	47.3 %
Gender	Man	100.0%	31,463	2,909	453	542	97	147	150	453	827	138	8,495	1,691	2,326	397	477	3,115	3,259	4,108	313	409	1,157
	Woman		8,173	949	102	127	83	5	150	31	186	11	1,705	405	526	44	61	511	1,102	1,342	97	47	689
Age	Less than 30 years	100.0%	11,240	950	134	161	44	83	178	190	143	21	2,061	523	912	80	168	1,395	1,437	1,732	190	121	717
	30 to 50 years		21,755	1,867	329	267	97	65	116	223	355	109	6,414	1,070	1,454	208	359	1,917	2,498	3,174	198	281	754
	More than 50 years		6,641	1,041	92	241	39	4	6	71	515	19	1,725	503	486	153	11	314	426	544	22	54	375
Professional category	Executives and Managers	100.0%	183	35	0	0	4	10	0	3	1	2	37	13	1	3	1	3	19	14	3	2	32
	Heads, supervisors and coordinators		681	36	1	2	6	6	0	0	6	4	176	38	5	7	15	27	164	91	27	7	63
	Analysts and office clerks		1,889	288	45	2	12	7	6	12	7	12	536	103	146	40	74	186	162	194	23	27	7
	Operational		36,883	3,499	509	665	158	129	294	469	999	131	9,451	1,942	2,700	391	448	3,410	4,016	5,151	357	420	1,744

		Scope	Total	Spain	Portugal	Germany	Australia	Indonesia	The Philippines	China	Singapore	South Africa	Brazil	Argentina	Chile	Uruguay	Paraguay	Peru	Mexico	Colombia	Central America	Ecuador	USA		
Turnover (terminations/total employees)																									
Gender	Man	100.0%	26.6 %	12.0 %	10.6 %	15.5 %	14.6 %	30.2 %	21.8 %	91.9 %	53.9 %	25.4 %	23.4 %	11.7 %	56.9 %	22.0 %	29.0 %	35.1 %	133.7 %	56.1 %	31.7 %	29.1 %	45.6 %		
	Woman		28.3 %	13.4 %	10.6 %	17.2 %	24.6 %	55.6 %	32.9 %	86.1 %	48.9 %	25.6 %	22.9 %	12.1 %	52.8 %	19.7 %	27.7 %	34.7 %	165.5 %	49.4 %	48.1 %	31.5 %	50.4 %		
Age	Less than 30 years	100.0%	46.6 %	29.3 %	24.8 %	48.3 %	29.5 %	27.6 %	28.3 %	179.2 %	59.8 %	27.6 %	32.9 %	16.3 %	99.8 %	46.0 %	30.1 %	52.7 %	174.0 %	73.8 %	45.4 %	48.0 %	79.9 %		
	30 to 50 years		24.0 %	10.8 %	9.4 %	12.8 %	21.1 %	34.2 %	24.9 %	100.0 %	49.1 %	25.4 %	21.0 %	9.0 %	56.5 %	18.9 %	28.8 %	29.6 %	134.5 %	51.3 %	32.0 %	26.5 %	48.7 %		
	More than 50 years		20.5 %	9.7 %	7.6 %	13.3 %	9.9 %	80.0 %	12.0 %	35.5 %	54.0 %	23.2 %	25.2 %	18.6 %	30.5 %	20.5 %	18.6 %	25.4 %	101.2 %	36.0 %	17.8 %	22.2 %	25.7 %		
Professional category	Executives and Managers	100.0%	14.9 %	11.7 %	— %	— %	57.1 %	32.3 %	— %	42.9 %	8.3 %	22.2 %	14.2 %	9.4 %	3.2 %	20.0 %	3.8 %	8.8 %	86.4 %	25.5 %	8.3 %	28.6 %	17.4 %		
	Heads, supervisors and coordinators		20.5 %	6.9 %	1.9 %	2.9 %	14.0 %	24.0 %	— %	— %	7.4 %	133.3 %	18.5 %	6.3 %	11.6 %	10.1 %	13.3 %	20.3 %	160.8 %	41.6 %	59.5 %	20.0 %	38.0 %		
	Analysts and office clerks		20.5 %	14.5 %	12.4 %	1.3 %	31.6 %	41.2 %	7.1 %	48.0 %	31.8 %	15.8 %	22.2 %	7.5 %	29.8 %	32.8 %	47.7 %	18.2 %	139.7 %	39.2 %	22.5 %	21.4 %	20.0 %		
	Operational		27.6 %	12.3 %	10.6 %	16.8 %	17.3 %	30.5 %	28.5 %	96.5 %	55.5 %	26.3 %	23.6 %	12.4 %	59.7 %	21.5 %	28.5 %	37.2 %	140.2 %	55.6 %	35.8 %	30.3 %	49.6 %		
Number of days worked by all Prosegur employees																									
Gender	Man	100.0%	30,729	5,406	898	533	136	138	192	152	535	163	9,564	3,560	1,059	459	440	2,731	676	2,578	379	585	546		
	Woman		6,905	1,585	197	88	61	2	127	8	122	15	1,857	685	231	55	59	394	187	755	65	50	362		
Total number of days lost through absence																									
Gender	Man	100.0%	1,428	256	76	47	1	1	0	1	14	3	114	578	65	37	9	124	5	68	10	18	0		
	Woman		325	97	30	8	0	0	0	0	3	1	43	75	22	4	4	16	2	17	3	1	0		
Total number of hours lost due to work accidents and professional illness																									
Gender	Man	100.0%	1,482	53	33	0	2	21	0	4	32	15	16	508	456	2	9	2	9	255	58	8	0		
	Woman		682	227	6	0	0	0	0	0	5	6	4	86	246	0	0	0	8	83	9	0	0		
Rate of absenteeism																									
			4.7 %	5.1 %	9.7 %	8.9 %	0.4 %	0.9 %	0.0 %	0.7 %	2.6 %	2.2 %	1.4 %	15.4 %	6.7 %	8.1 %	2.4 %	4.5 %	0.9 %	2.6 %	2.8 %	3.0 %	0.0 %		
Training in health and safety to employees (hours) (absolute value)																									
Gender	Security	100.00%	601,141																						
	Man		537,142																						
	Woman		64,000																						
	Cash		151,399																						
	Man		109,982																						
	Woman		41,418																						
	Alarms		14,161																						
	Man		10,017																						
	Woman		4,144																						
	Others		4,648																						
	Man		2,629																						
	Woman		2,020																						
	No. of fatal accidents (absolute value)																								
	Gender		Security	100.00%	3																				
Man		3																							
Woman		0																							
Cash		1																							
Man		1																							
Woman		0																							
Alarms		0																							
Man		0																							
Woman		0																							
Others		0																							
Man		0																							
Woman		0																							

Scope	Total
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Accident rate (IR) = Frequency Rate IR=no. Accidents/no. hours*10^6

Gender	Scope	Total
	Security	8.78
	Man	8.06
	Woman	13.03
	Cash	12.74
	Man	14.98
	Woman	6.32
	Alarms	8.60
	Man	11.08
	Woman	1.60
	Others	2.99
	Man	4.15
	Woman	1.68

Severity rate (IDR)
IDR=no. Days lost due to occupational accidents/no. hours*10^3

Gender	Scope	Total
	Security	0.67
	Man	0.49
	Woman	1.75
	Cash	1.12
	Man	0.97
	Woman	1.54
	Alarms	0.94
	Man	0.67
	Woman	1.67
	Others	0.34
	Man	0.13
	Woman	0.59

Occupational illnesses (absolute value)

Gender	Scope	Total
	Security	175
	Man	108
	Woman	67
	Cash	94
	Man	62
	Woman	32
	Alarms	3
	Man	1
	Woman	2
	Others	2
	Man	0
	Woman	2

Number of occupational accidents (absolute Value)

Gender	Scope	Total
	Security	2.239
	Man	1.758
	Woman	0.418
	Cash	1.300
	Man	1.133
	Woman	0.167
	Alarms	0.144
	Man	0.137
	Woman	0.007
	Others	0.019
	Man	0.014
	Woman	0.005

8.2.3. Other relevant indicators

Anti-corruption and bribery matters

KPIs	2020	2021
No. of complaints for breaches of the Code of Ethics	18	16
No. of complaints for fraud	9	8

A. The scope of these KPIs covers 100%. This excludes the scope of the new M&A acquisitions in 2020, disinvestments and the countries in which business are equity-accounted.

Consumers

KPIs	2020	2021
Number of complaints received from clients/Number of complaints solved	Security: 2,722/2,305	Security: 2,643/2,485
	Cash: 27,588/23,208	Cash: 39,865/38,436
	Alarms: 70,199/58,031	Alarms: 96,468/91,477

A. The scope of these KPIs covers 95%. The scope excludes Ecuador, Central America and Asia-Pacific (with the exception of Australia), the new M&A acquisitions in the year, disinvestments and the countries in which business are equity-accounted.

8.3. REQUIREMENTS OF THE NON-FINANCIAL INFORMATION STATEMENT

Index of the contents required by Spanish Act 11/2018, of 28 December and the Taxonomy regulation.

Content	Rough connection with GRI indicators (reporting framework)	Pages
General Information		
- Brief description of the business model that includes its business environment, its organisation and structure.	GRI 102-2 GRI 102-7	181 / 302
- Markets in which it operates.	GRI 102-3 GRI 102-4 GRI 102-6	181
- Organisation objectives and strategies.	GRI 102-14	187
- Main factors and tendencies that affect its future evolution.	GRI 102-14 GRI 102-15	201
- Reporting Framework utilised.	GRI 102-54	314
- Materiality principle.	GRI 102-46 GRI 102-47	251
Corporate matters and those relative to the staff		
- Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	272
Employment		
- Number and distribution of employees by country, gender, age and professional category.	GRI 102-8 GRI 405-1	317
- Number and distribution of types of employment contracts, and the yearly average of open-ended, temporary and part-time contracts by gender, age and professional category.	GRI 102-8	317
- Number of laid-off employees by gender, age and professional category.	GRI 103-2	317
- Average remuneration and its evolution broken down by gender, age and professional category or similar value.	GRI 405-2	317
- Wage gap, remuneration for equivalent jobs or on average for the Company.	GRI 405-2	317
- Average remuneration of directors and managers, including variable remuneration, per diems, compensation, the payment into long-term savings systems and any other earning broken down by gender.	GRI 405-2	277
- Implementation of labour disconnection measures.	GRI 103-2	282
- Number of employees with disabilities.	GRI 405-1	317
Work Organisation		
- Organisation of working time.	GRI 103-2	272
- Number of hours of absenteeism.	GRI 403-9	317

-	Measures aimed at facilitating the benefits of reconciliation and promoting the co-responsible exercise of these by both parents.	GRI 401-3	278
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Health and safety

-	Health and safety conditions in the workplace.	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-7	282
-	Occupational accidents, specifically their frequency and gravity, as well as occupational illnesses, broken down by gender.	GRI 403-9 GRI 403-10	317

Social relations

-	Organisation of social dialogue including procedures for informing and consulting staff and negotiating with them.	GRI 103-2	278
-	Percentage of employees covered by the collective agreement by country.	GRI 102-41	317
-	Result of bargaining agreements, particularly in the field of occupational health and safety.	GRI 403-4	278

Training

-	Policies implemented in the training field.	GRI 103-2 GRI 404-2	275
-	Total number of training hours by professional category.	GRI 404-1	317

Universal integration and accessibility of individuals with disabilities

-	Measures adopted to promote equal treatment and opportunities between men and women.	GRI 103-2	284
-	Equality plans, measures adopted to promote employment, protocols against sexual and gender-based harassment.	GRI 103-2	284
-	Policy against all types of discrimination and, where appropriate, diversity management.	GRI 103-2	284

Environmental issues

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	255
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Detailed general information

-	Detailed information on the current and foreseeable effects of Company activities on the environment and, where appropriate, on health and safety.	GRI 102-15	255
-	Environmental evaluation or certification procedures.	GRI 103-2	255
-	Resources devoted to environmental risk protection.	GRI 103-2	255
-	Application of the Precautionary Principle.	GRI 102-11	255
-	Quantity of provisions and guarantees for environmental risks.	GRI 103-2	255

Pollution

-	Measures to prevent, decrease or remedy emissions that seriously affect the environment, considering any form of atmospheric pollution specific to an activity, including noise and light pollution.	GRI 103-2 GRI 305-7	255
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Circular Economy and waste prevention and management

-	Measures for prevention, recycling, re-utilisation, other forms of recovery and elimination of waste.	GRI 103-2 GRI 306-1 GRI 306-2	255
-	Actions to fight the waste of food.	GRI 103-2	314

Sustainable use of resources

-	Consumption and supply of water in accordance with local restrictions.	GRI 303-5	315
-	Consumption of raw materials and measures adopted to improve the efficiency of use.	GRI 301-1	315
-	Direct and indirect energy consumption.	GRI 302-1	315
-	Measures to improve energy efficiency.	GRI 302-4	255
-	Use of renewable energies.	GRI 302-1	255

Climate change

-	Greenhouse Gas Emissions generated as a result of Company activities, including the use of the goods and services it produces.	GRI 305-1 GRI 305-2	315
-	Measures adopted for adaptation to the consequences of climate change.	GRI 201-2	255
-	Reduction targets established voluntarily for the medium and long term to reduce greenhouse gas emissions and the measures implemented for this purpose.	GRI 305-5	255

Biodiversity protection

-	Measures taken to preserve or restore biodiversity.	GRI 103-2	255
-	Impacts caused by activities or operations in protected areas.	GRI 103-2	255

Respect for Human Rights

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	281
-	Application of due diligence procedures on human rights and the prevention of the risks of the infringement of human rights and, where appropriate, measures to mitigate, manage and remedy possible abuses committed.	GRI 102-16 GRI 102-17 GRI 410-1 GRI 412-1 GRI 412-2	281
-	Reporting in cases of the infringement of human rights.	GRI 103-2 GRI 406-1	281
-	Measures implemented for the promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation regarding the respect for the freedom of association and the right to collective bargaining, the abolition of discrimination in employment and occupation, the abolition of forced obligatory labour and the effective abolition of child labour.	GRI 103-2 GRI 407-1 GRI 408-1 GRI 409-1	281

Anti-corruption and bribery

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	304
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-	Measures adopted to prevent corruption and bribery.	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	304
-	Measures to combat money laundering.	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 205-3	304
-	Contributions to foundations and not-for-profit entities.	GRI 102-13 GRI 201-1	289

General information on the Company

-	Management approach: description and results of policies relative to these issues, as well as the main risks relating to these issues associated with the activities of the Group.	GRI 102-15 GRI 103-2	232
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Commitments of the Company with sustainable development

-	Impact of the Company activity on local employment and development.	GRI 103-2 GRI 204-1	243
-	The impact of the Company activity on local populations and the territory.	GRI 413-1 GRI 413-2	243
-	The relations with local players of local communications and types of dialogue with them.	GRI 102-43 GRI 413-1	243
-	Association or sponsorship actions.	GRI 103-2	243

Subcontracting and suppliers

-	Inclusion in the procurement policy of social, gender equality and environmental issues.	GRI 103-2	286
-	Consideration of social and environmental responsibility in relations with suppliers and subcontractors.	GRI 102-9	286
-	Supervision and audits and their results.	GRI 102-9 GRI 308-2 GRI 414-2	286

Consumers

-	Measures for consumer health and safety.	GRI 103-2	288
-	Systems for claims, complaints received and their resolution.	GRI 103-2 GRI 418-1	288

Tax information

-	The profits obtained country by country.	GRI 207-4	310
-	Income tax paid.	GRI 207-4	310
-	Public grants received.	GRI 201-4	310

Taxonomy Regulation

-	Proportion of the turnover (Net Turnover Amount) from products or services related to economic activities considered environmentally sustainable in accordance with the Taxonomy Regulation.	EU Taxonomy Article 8 delegated act on the implementation of article 8 of the Taxonomy Regulation, on Company transparency in non-financial reporting	264
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-	Proportion of total fixed assets (CAPEX) in relation to economic activities considered environmentally-sustainable in accordance with the Taxonomy Regulation.	EU Taxonomy Article 8 delegated act on the implementation of article 8 of the Taxonomy Regulation, on Company transparency in non-financial reporting	264
-	Proportion of total operating expenses (OPEX) in relation to assets or processes associated with economic activities considered environmentally-sustainable in accordance with the Taxonomy Regulation.	EU Taxonomy Article 8 delegated act on the implementation of article 8 of the Taxonomy Regulation, on Company transparency in non-financial reporting	264

The page numbering refers to the first page of the caption in question.

8.4. COMPLIANCE WITH THE UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact is a call to companies and organisations to align their strategies and operations with ten universal principles on human rights, labour rules, the environment and anti-corruption.

It has the UN mandate for promotion of the Sustainable Development Goals (SDG) in the private sector.

Prosegur has been a member of the United Nations Global Compact since 2002.

Global Compact Principle	Chapter
Human Rights	
Principle 1. Business should support and respect the protection of international fundamental human rights recognised in their area of influence	6.2. Respect for Human Rights
Principle 2. Companies should make sure that they are not complicit in Human Rights abuses.	6.2. Respect for Human Rights
Labour laws	
Principle 3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.	6.1.3. Employee relations
Principle 4. Companies should support the elimination of all forms of forced and compulsory labour.	6.2. Respect for Human Rights 6.3. Purchases and supply chain
Principle 5. Companies should support the effective abolition of child labour.	6.2. Respect for Human Rights 6.3. Purchases and supply chain
Principle 6. Companies should support the elimination of discrimination in respect of employment and occupation.	6.2.2. Non-discrimination and diversity
Environment	
Principle 7. Business should support a precautionary approach to benefit environmental challenges.	5.1. Environmental aspects
Principle 8. Companies should undertake initiatives to promote greater environmental responsibility.	5.1. Environmental aspects
Principle 9. Companies should encourage the development and diffusion of environmentally friendly technologies.	5.1. Environmental aspects
Anti-Corruption	
Principle 10. Business should work against corruption in all its forms, including extortion and bribery.	7.2.1. Anti-corruption and bribery

8.5. INDEX OF GRI STANDARD CONTENTS

The Directors' Report has been prepared in accordance with Global Reporting Initiative (GRI) standards, thus covering all indicators related to

the material aspects of the Company that were defined in the materiality analysis.

GENERAL BASIC CONTENT

	Indicators	Chapter / Information	Global Compact Principle
ORGANISATION PROFILE			
102-1	Company name	Prosegur Compañía de Seguridad, S.A.	-
102-2	Activities, trademarks, products and services	1. Who we are, What we do	-
102-3	Location of organisation headquarters	Calle Pajaritos, 24, Madrid (Spain)	-
102-4	Location of Operations	1. Who we are, What we do	-
102-5	Ownership and legal nature	7.1.1. Ownership structure	-
102-6	Service markets	1. Who we are, What we do	-
102-7	Organisation size	2. Financial and investment	-
102-8	Information on employees and other workers	6.1. Employees and professional development	-
102-9	Describe the organisation supply chain	6.3. Purchases and supply chain	-
102-10	Significant changes in the organisation and its supply chain	6.3. Purchases and supply chain	-
102-11	Precautionary principle or approach	3. Risk management	-
102-12	Prepare a list of the letters, the principles or other external initiatives of an economic, environmental and social nature to which the organisation subscribes or has adopted	7.2. Business conduct 8.4. Compliance with the United Nations Global Compact	-
102-13	Association membership	7.2. Business conduct	-
STRATEGY AND ANALYSIS			
102-14	Statement of senior executives responsible for decision-making	Letter from the President Message from the Managing Director	-
102-15	Main impacts, risks and opportunities	1.2. Business environment 1.4. Strategic performance 1.5. Innovation and Digital Transformation 3. Risk management 5.1. Environmental aspects	-
ETHICS AND INTEGRITY			
GRI 103: Management focus - Material topic: Ethics and anti-corruption			
103-1	Explanation of the material topic and its coverage	1.1. Values 7.2. Business conduct	-
103-2	Management approach and its components	1.1. Values 7.2. Business conduct	-
103-3	Evaluation of the management approach	1.1. Values 7.2. Business conduct	-
102-16	Values, principles, standards and rules of conduct	1.1. Values 7.2. Business conduct	10
102-17	Mechanisms for consultancy and ethical concerns	1.1. Values 7.2. Business conduct	10
GOVERNANCE			
103-1	Explanation of the material topic and its coverage	7.1. Corporate governance	-
103-2	Management approach and its components	7.1. Corporate governance	-
103-3	Evaluation of the management approach	7.1. Corporate governance	-
102-18	Describe the governance structure	7.1. Corporate governance	-

102-19	Describe the process by which the Board of Directors delegates its authority to Senior Management and certain employees for matters of an economic, environmental and social nature	7.1.5. Annual Corporate Governance Report	-
102-20	Indicate whether executive posts exist in the organisation or any with responsibility for economic, environmental and social matters, and whether those holding them are directly accountable before the Board of Directors.	7.1.5. Annual Corporate Governance Report	-
102-21	Describe the consulting processes among stakeholders and the Board of Directors with respect to economic, environmental and social matters.	7.1. Corporate governance	-
102-22	Structure of the supreme governing body and its committees.	7.1. Corporate governance	-
102-23	Indicate if the person who presides over the Board of Directors also holds an executive post. If so, describe the executive duties and the reasons for this arrangement.	7.1. Corporate governance	-
102-24	Describe the processes for appointment and selection of the Board of Directors and its committees, as well as the criteria on which the appointment and selection of its members are based.	7.1.5. Annual Corporate Governance Report	-
102-25	Describe the processes by means of which the Board of Directors prevents and manages possible conflicts of interest.	7.1.5. Annual Corporate Governance Report	-
102-26	Describe the duties of the Board of Directors and of Senior Management in the development, approval and update of the proposal, the values or the mission statements, strategies, policies and objectives relative to economic, environmental and social impacts of the organisation.	7.1.5. Annual Corporate Governance Report	-
102-27	Indicate what measures have been adopted to develop and improve the collective knowledge of the Board of Directors in relation to economic, environmental and social matters.	7.1.5. Annual Corporate Governance Report	-
102-28	Describe the processes for evaluating the performance of the Board of Directors in relation to the governing of economic, environmental and social matters. Indicate whether the evaluation is independent and how frequently it is performed. Indicate if this is a self-evaluation.	7.1.5. Annual Corporate Governance Report	-
102-29	Describe the duty of the Board of Directors in the identification and management of the impacts, risks and opportunities of an economic, environmental and social nature. Likewise indicate the role of the Board of Directors in the application of due diligence processes.	3. Risk management 7.1.5. Annual Corporate Governance Report	-
102-30	Describe the duty of the Board of Directors in the analysis of the effectiveness of risk management processes of the organisation with regard to economic, environmental and social matters.	3. Risk management 7.1.5. Annual Corporate Governance Report	-
102-31	Indicate the frequency with which the Board of Directors analyses and evaluates the impacts, risks and opportunities of an economic, environmental and social nature.	3. Risk management 7.1.5. Annual Corporate Governance Report	-
102-32	Indicate which committee or position of greatest importance reviews and approves the sustainability report of the organisation and ensures that all material Aspects are reflected.	The Annual Report is reviewed and approved by the Board of Directors.	-
102-33	Describe the process for conveying significant concerns to the Board of Directors.	7.1. Corporate governance	-

102-34	Indicate the nature and the number of important concerns that were conveyed to the Board of Directors; also describe the mechanisms used to address and evaluate them.	7.1.5. Annual Corporate Governance Report	-
102-35	Describe the remuneration policies for the Board of Directors and Senior Management.	7.1.5. Annual Corporate Governance Report	-
102-36	Describe the processes by means of which the remuneration is determined. Indicate if consultants are used to determine the remuneration and whether they are independent from Management.	7.1.5. Annual Corporate Governance Report	-
102-37	Explain how the opinion of stakeholders is requested and considered with regard to remuneration including, where appropriate, the results of votes on policies and proposals regarding this matter.	In 2021 there was no consultation relative to this matter in any of the Company communication channels.	-
102-38	Ratio of total annual compensation	7.1.5. Annual Corporate Governance Report 7.1.6. Annual Report on Director Remuneration	-
102-39	Ratio of the percentage increase of total annual compensation	7.1.5. Annual Corporate Governance Report 7.1.6. Annual Report on Director Remuneration	-

PARTICIPATION OF STAKEHOLDERS

102-40	Prepare a list of stakeholders associated with the organisation	4. Responsible management	-
102-41	Percentage of employees covered by bargaining agreements	8.2. Key indicators	1, 3
102-42	Indicate the basis for the election of stakeholders with which it works	4. Responsible management	-
102-43	Describe the approach of the organisation regarding the participation of stakeholders, including the frequency of collaboration with the different stakeholder types and groups, or indicate if the participation of one group took place specifically in the process for preparation of the annual report.	4. Responsible management	1, 2, 3, 4, 5, 6, 7, 8, 9, 10
102-44	Indicate which key issues and problems were identified as a result of the participation of the stakeholders and describe the evaluation made by the organisation, by means of its annual report among other aspects. Specify which stakeholders raised each of the key topics and problems.	4. Responsible management	-

REPORTING PRACTICE

102-45	Entities included in the Consolidated financial statements	2021 Consolidated Annual Accounts Report Available at www.prosegur.com	-
102-46	Definition of the contents of the report and coverage of each aspect	4. Responsible management	-
102-47	List of material topics	4. Responsible management	-
102-48	Re-statement of the information	None of the information published in any prior reports has been restated	-
102-49	Significant changes in the scope and coverage of reported aspects	8.1. About this report	-
102-50	Annual reporting period (for example, fiscal or calendar year)	2021	-
102-51	Date of the last report (if appropriate)	2020	-
102-52	Reporting cycle (annual, biennial, etc.)	Annual	-
102-53	Provide a point of contact to resolve any doubts that may arise over the content of the report	accionistas@prosegur.com	-
102-54	Statement of report preparation in accordance with GRI standards	8.5. Index of GRI Standard Contents	-
102-55	GRI indicator index	8.5. Index of GRI Standard Contents	-

102-56	External audit	The Statement of Non-financial Information, contained in the 2021 Consolidated Directors' Report, has been audited by EY.	-
SPECIFIC CONTENT			
ECONOMY			
ECONOMIC PERFORMANCE			
201-1	Direct, generated and distributed economic value	2. Financial and investment	-
201-2	Financial consequences and other risks and opportunities for organisation activities owing to climate change	5.1. Environmental aspects	7, 8, 9
201-3	Restriction of organisation obligations owing to social benefit programmes	N/A. There is no benefit plan for employees	-
MARKET PRESENCE			
202-2	Percentage of Senior Managers from the local community in places where significant operations are undertaken	8.2. Key indicators	-
204-1	Percentage of the expense in places with significant operations that correspond to local suppliers	6.3. Purchases and supply chain	-
COMPANY			
ANTI-CORRUPTION			
GRI 103: Management focus - Material topic: Ethics and anti-corruption			
103-1	Explanation of the material topic and its coverage	7.2. Business conduct	-
103-2	Management approach and its components	7.2. Business conduct	-
103-3	Evaluation of the management approach	7.2. Business conduct	-
205-1	Number and percentage of centres in which risks regarding corruption have been appraised, and significant risks detected	7.2. Business conduct	10
205-2	Policies and procedures for communication and training on anti-corruption	7.2. Business conduct	10
205-3	Confirmed cases of corruption and measures adopted	7.2. Business conduct	10
UNFAIR COMPETITION PRACTICES			
206-1	Number of legal procedures for causes regarding monopolies and other unfair competition practices, and their results	7.2. Business conduct	10
REGULATORY COMPLIANCE			
419-1	Breach of laws and legislation in social and economic areas	7.2. Business conduct	10
ENVIRONMENT			
MATERIALS			
301-1	Materials by weight or volume	5.1. Environmental aspects	-
301-2	Percentage of used materials that have been recycled	5.1. Environmental aspects	9
ENERGY			
302-1	Internal energy consumption	5.1. Environmental aspects	-
302-4	Decreased energy consumption	5.1. Environmental aspects	9
WATER			
303-1	Water extraction by source	5.1. Environmental aspects	-
303-3	Percentage and total volume of recycled and reused water	5.1. Environmental aspects	9
EMISSIONS			
305-1	Direct greenhouse gas emissions (Scope 1)	5.1. Environmental aspects	-
305-2	Indirect greenhouse gas emissions from generating energy (Scope 2)	5.1. Environmental aspects	-
305-5	Reduced greenhouse gas emissions	5.1. Environmental aspects	9

EFFLUENTS AND WASTE

306-2	Total weight of waste managed, by type and treatment method	5.1. Environmental aspects	-
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SOCIAL PERFORMANCE
LABOUR PRACTICES AND DIGNIFIED EMPLOYMENT
EMPLOYMENT

401-1	Number and rate of recruits and average rotation of employees, broken down by ethnic group, gender and region	8.2. Key indicators	6
401-2	Social benefits for full-time employees that are not offered to temporary or part-time employees, broken down by significant activity locations	The Company does not differentiate social benefits between temporary or part-time employees and full-time employees	-
401-3	Rates of returning to and remaining at the job following maternity or paternity leave, broken down by gender	8.2. Key indicators	6

RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT

402-1	Minimum notice periods for operating changes and possible inclusion of these in bargaining agreements	6.1. Employees and professional development	-
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OCCUPATIONAL HEALTH AND SAFETY
GRI 103: Management focus - Material topic: Occupational health and safety

103-1	Explanation of the material topic and its coverage	6.2.1. Health and occupational safety	-
103-2	Management approach and its components	6.2.1. Health and occupational safety	-
103-3	Evaluation of the management approach	6.2.1. Health and occupational safety	-
403-1	Employee representation on formal employee-company committees on health and safety	6.2.1. Health and occupational safety	1
403-2	Type of accidents and accident frequency rates, occupational illnesses, days lost, absenteeism and number of deaths by occupational accident or illness	6.2.1. Health and occupational safety	-
403-3	Employees with a high incidence or at high risk for illnesses relating to their activity	6.2.1. Health and occupational safety	-
403-4	Health and safety topics addressed in formal agreements with unions	The information is contained in the bargaining agreements of the various countries of operation.	-

TRAINING AND EDUCATION

404-1	Average hours of annual training per employee, broken down by gender and professional category	8.2. Key indicators	-
404-2	Programmes for skill management and on-going training that promote the employability of workers and helps them manage the end of their professional careers	6.1. Employees and professional development	6
404-3	Percentage of employees who receive regular evaluations on performance and professional development, broken down by gender and professional category	8.2. Key indicators	-

DIVERSITY AND EQUAL OPPORTUNITIES

405-1	Diversity in governance bodies and employees	7.1. Corporate governance	1, 6
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EQUAL REMUNERATION BETWEEN MEN AND WOMEN

405-2	Ratio of the base salary and remuneration of women vs men	8.2. Key indicators	1, 6
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HUMAN RIGHTS
GRI 103: Management focus - Material topic: Human Rights

103-1	Explanation of the material topic and its coverage	6.2. Respect for Human Rights	-
103-2	Management approach and its components	6.2. Respect for Human Rights	-

103-3	Evaluation of the management approach	6.2. Respect for Human Rights	-
NON-DISCRIMINATION			
406-1	Number of cases of discrimination and corrective measures adopted	6.2. Respect for Human Rights	-
FREEDOM OF ASSOCIATION AND COLLECTIVE NEGOTIATION			
407-1	Identification of centres and suppliers in which the freedom of association and the right to bargaining agreements may be infringed or threatened, and measures adopted in defence of these rights	6.2. Respect for Human Rights	3
SECURITY MEASURES			
410-1	Percentage of security staff that has received training on the policies or procedures of the organisation on human rights relevant to the operations	6.2. Respect for Human Rights	1
INVESTMENT			
412-3	Number and percentage of significant investment contracts and agreements that include clauses on human rights or that have been the subject of analysis on human rights	6.2. Respect for Human Rights	2
412-2	Training hours of employees on policies and procedures regarding those aspects of human rights relevant to their activities, including the percentage of trained employees	8.2. Key indicators	1, 2
CLIENT HEALTH AND SAFETY			
416-1	Percentage of categories of significant products and services whose impacts on health and safety have been evaluated to promote improvements	6.4. Consumers	9
416-2	Number of incidents deriving from the breach of legislation or of the voluntary codes relative to the impacts of the products and services on health and safety during their life cycle, broken down by the type of result of those incidents	No incidents have been recorded in this aspect	-

Independent Limited Assurance Report of the Consolidated Non-Financial Statement for the year ended December 31, 2021

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and SUBSIDIARIES

INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

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

To the Shareholders of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended December 31, 2021, of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group's accompanying 2021 Consolidated Management Report.

The content of the Management Report includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in appendices 8.3 "Requirements of the Non-Financial Information Statement" of the accompanying Management Report.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Management Report of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. and its content is the responsibility of the Board of Directors of the Group. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in appendices 8.3 "Requirements of the Non-Financial Information Statement" from the accompanying Management Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality control procedures

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of professional integrity, objectivity, competence, diligence as well as confidentiality and professional behaviour.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited verification report based on the work performed. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the 2021 NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the NFS for the year 2021 based on the materiality analysis made by the Group and described in section 4.4 "Materiality Analysis", considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2021 Non-Financial Statement.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2021 NFS.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2021 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying NFIS. Additionally, information has been included, for which the directors of PROSEGUR COMPAÑIA DE SEGURIDAD, S.A. have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within section 5.2 "European Taxonomy on Sustainability" of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the appendices 8.3 "Requirements of the Non-Financial Information Statement" of the Consolidated Management Report.

Use and distribution

This report has been prepared as required by prevailing mercantile regulations in Spain and may not be suitable for any other purpose or jurisdiction.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Alberto Castilla Vida

February 25, 2022

9

Internal Financial Information Control System (ICFR)



9. INTERNAL CONTROL OVER FINANCIAL REPORTING SYSTEM (ICFR)

9.1. BUSINESS ENVIRONMENT

Government and Responsible Bodies

The two main bodies responsible for the existence of an adequate and effective ICFR, as well as for its implementation and supervision, are the Board of Directors and the Audit Committee.

Therefore, in the first place, article 5 of the Prosegur Board of Directors Regulation, updated in October 2021, establishes that said body has a general supervisory function. Specifically, it establishes that 'Except in respect of matters reserved for the competency of the Shareholders General Meeting, the Board of Directors is the Company's most senior decision-making body'.

For these purposes, article 5 of the Prosegur Cash Board of Directors Regulation establishes that the Board specifically agrees to directly exercise the following powers: 'The determination of the general policies and strategies of the Company and, in particular: (i) the strategic or business plan, as well as the management objectives and annual budget; (ii) the investment and financing policy; (iii) the definition of the structure of the group of companies; (iv) the corporate governance policy of the Company and of the group of which it is the parent; (v) the corporate social responsibility policy; (vi) the remuneration policy and evaluation of the performance of senior executives; (vii) the treasury stock policy and, in particular, its limits; (viii) the dividend policy; (ix) the risk control and management policy, including tax risks, as well as the supervision of internal information and control systems'.

Additionally, article 16 of the Board of Directors Regulation, and article 8 and 11 of the Audit Committee Regulation establish that the latter will be responsible for the following, among other tasks:

- 'Ensuring that the annual accounts that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations (...)'
- 'Supervising and evaluating the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the governing body aimed at safeguarding its integrity. In relation to this, it is responsible for supervising and assessing the process for the preparation and integrity of financial and non-financial information, as well as the systems for control and management of financial and non-financial risks relative to the Company and to the Group, including operational, technological, legal, social, environmental, political and reputational systems or those regarding corruption, checking for compliance with legal requirements, the appropriate definition of the consolidation perimeter, and the proper application of accounting criteria, disclosing this to the Board of Directors'.
- 'Supervising the effectiveness of the Company's internal control and risk management systems, including tax risks, and discussing any significant weaknesses in the internal control system detected during the audit with the accounts auditor, all without violating their independence.'

For such purposes, and where appropriate, it may present recommendations or proposals to the Board of Directors and the corresponding term for its follow-up'.

- With regard to this, it corresponds to the Committee 'to make proposals to the Board of Directors regarding the risk management and control policy, which will identify or determine the following at minimum: (i) the types of financial or non-financial risks (operating, technological, legal, social, environmental, political and reputational, including those regarding corruption) that the Company faces, with the financial or economic risks including contingent liabilities and other off balance sheet risks; (ii) a risk control and management model based on various levels, of which a commission specialising in risks will form part when sectoral rules so provide or the Company deems its appropriate; (iii) the risk level that the Company considers acceptable; (iv) the measures to mitigate the impact of risk events should they occur; and (v) the reporting and control system to be used to control and manage those risks'.

- 'Supervising the operation of the Company's risk control and management unit responsible for: (i) to ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are properly identified, managed, and quantified; (ii) to actively participate in preparing the risk strategy and in taking important decisions regarding its management; and (iii) to ensure that risk control and management systems adequately mitigate the risks in accordance with the policy defined by the Board of Directors'.

In addition, the Auditing Committee Regulation, determines in article 1 that 'The Auditing Committee, as a registered body, has specific responsibilities for advising the Board of Directors and for supervising and controlling the processes of preparation and presentation of the financial information, the independence of the accounts auditor and the effectiveness of the internal control and risk management systems, without prejudice to the responsibility of the Board of Directors'.

Responsibilities, General Code of Conduct, Report Channel and training

Responsibility functions

In keeping with its regulation, the Prosegur Board of Directors specifically undertakes to directly appoint and dismiss Managing Directors of the Company, as well as to establish the conditions of their contracts and the appointment and dismissal of executives who report directly to the Board of Directors or any of its members, as well as to establish the basic conditions of their contracts, including remuneration.

The design and review of the organisational structure and the definition of the lines of responsibility and authority is proposed by the Managing Director and validated by the Committee for Sustainability, Corporate

Governance, Appointments and Remuneration. The Human Resources Department is responsible for updating the information in the organisational chart, once the modification has been validated, and publishing it on the intranet.

The functions - responsibilities, as well as the job profile and the necessary skills for each of the jobs, are defined by each direct superior and are validated by the Directors of the corresponding areas based on the job evaluation policy for the Prosegur group. To do this, they have the help of experts from the Human Resources department.

This organisational structure is set forth in a chart showing the relationships among the various business and support departments comprising Prosegur. The Company's

organisation chart is located on the corporate intranet and is accessible to all personnel.

Code of Ethics and Conduct

The Company has a Code of Ethics and Conduct, approved by the Board of Directors on 28 October 2013, applicable to all the companies comprising Prosegur Group and to all businesses and activities performed by Prosegur in all countries in which it operates. It is binding upon all members of Prosegur governing bodies, executives and staff. The Code of Ethics and Conduct offers guidelines on how all Prosegur professionals are to behave and reflects its commitment to conduct itself at all times in line with common principles and standards in its relations with stakeholders affected by its activities: employees, shareholders, customers and users, suppliers and associates; authorities, public administrations and regulatory bodies; competitors and the civil society in which it is present.

All Prosegur professionals have the obligation to know and comply with the Code of Ethics and Conduct and to collaborate to facilitate its implementation, as well as to report possible breaches of which they might be aware.

The Code establishes that those who, by action or omission, violate the Code of Ethics and Conduct will be subject to disciplinary measures applicable in each case, in accordance with current labour regulations and internal policies and procedures. All breaches reported will be analysed through an investigation process by a team of impartial experts led by the compliance officer, who will present their conclusions and propose, where appropriate, the corrective measures to be applied, informing the people who have identified or reported the breach.

Within the legal compliance section of the Code of Ethics and Conduct, express reference is made to the preparation of financial information in a thorough, clear and accurate manner, using the appropriate accounting records, and its dissemination through transparent communication channels that enable permanent access to the market, and to Prosegur shareholders and investors in particular.

Likewise, the section on the use and protection of resources includes the need to ensure that all operations of economic significance carried out on behalf of Prosegur appear clearly and accurately in appropriate accounting records that represent the true image of the transactions made and are available to internal and external auditors.

The Code of Ethics and Conduct is available on the Prosegur corporate website.

Likewise, the third section of the Code of Ethics and Conduct describes that Prosegur professionals accept the rules summarised in said Code and are bound to complying with it by signing. New employees receive the Code of Ethics and Conduct physically with the welcome documentation.

Prosegur employees have training courses on the Code of Ethics and Conduct on the Prosegur Corporate University platform.

Ethics Channel

Prosegur has an Ethics Channel that allows any interested party to report any incident or irregularity of potential importance that could be contrary to the provisions of the Prosegur Code of Ethics and Conduct and guarantee that it will be treated objectively, independently, anonymously and confidentially, adopting the appropriate measures to ensure effective compliance with the Code of Ethics. Among the issues that may be reported through the Ethics Channel are financial and accounting irregularities.

The Ethics Channel consists of a reporting tool, available on the Company website as well as its Intranet, which is permanently open and provides anonymity to ensure the integrity of the individuals who use it.

The Internal Audit Department confidentially manages the communications received and transmits information on their results to the Audit Committee.

The Ethics Channel Policy was approved by the Audit Committee on 28 July 2021 and is available on the corporate website.

Training

Prosegur pays particular attention to continuing training and the development of its professionals for the proper performance of their functions.

The personnel of Financial Department (mainly the Tax and Financial Information area) and the Internal Audit Department continuously attend training sessions to ensure that they are up to date on regulatory and legislative changes.

The Company receives periodic training from certain organisations that allow the knowledge of the personnel involved in preparing the Group's Financial Statements and reviewing the financial information to be updated.

Prosegur also has an online platform for the management of training processes (Prosegur Corporate University), from where the Company's personnel can receive the training they need.

9.2. FINANCIAL INFORMATION RISK ASSESSMENT

The Corporate Finance Department, through the ICFR scope matrix, annually identifies the risks that affect financial information from the point of view of accounting records and a possible breach of accounting principles. After the risk analysis, the design of the controls that mitigate them is documented.

The purpose of the ICFR scope matrix is to identify the accounts and breakdowns that have a significant associated risk, whose potential impact on the financial information is material and therefore requires special attention. In this sense, in the process of identifying significant accounts and breakdowns, a series of quantitative variables (account balance in relation to the materiality established for these purposes) and qualitative variables (account composition, automation of systems processes/integration, standardisation of operations, susceptibility to fraud or error, complexity of transactions, degree of estimation/judgment and valuations, changes with respect to the previous year; changes and complexity in regulations; application of judgment and qualitative importance of the information, among others) are considered.

This ICFR scoping matrix is based on the statement of financial position and on the balance sheet and consolidated statement of comprehensive income included in the audited Consolidated Annual Accounts available. This matrix is updated annually, both for the entire group and for the different business lines, after the preparation of the Consolidated Annual Accounts. In 2021, the scope matrix was updated based on the figures contained in the Annual Financial Statements for 31 December 2020.

For each of the accounts and significant breakdowns included in the scope matrix, the critical processes and sub-processes associated with them are defined, and controls are implemented that could prevent errors and/or fraud in the financial information, covering

all of the objectives of the financial information (existence and occurrence; completeness; valuation; presentation, breakdown and comparability; and rights and obligations).

The consolidation scope is identified on a monthly basis. Changes in the consolidation scope are recorded in the Group's consolidation computer system, in which the map of the ownership structure of the companies within the scope is constantly updated.

The Business Development Department, together with the Legal Department, are responsible for notifying the Corporate Finance Department of operations what they plan to carry out in their area and that affect the structure of the group and the consolidation scope.

The Corporate Finance Department, through its Tax Department, keeps a record of all the companies included in its consolidation perimeter, form of control or influence, legal form and the type of direct or indirect holdings in all the companies. It is continuously updated and allows historical changes in the scope to be traced.

Finally, in accordance with the provisions of the Regulations of the Board of Directors (article 16.3 k), the Audit Committee is responsible for 'analysing and reporting the economic conditions, the accounting impact and, where appropriate, the proposed exchange ratio of the structural and corporate modification operations that the Company plans to carry out, before being submitted to the Board of Directors'.

The Internal Audit Department identifies all types of critical risks (operating, technological, financial, interest rate, exchange rate, legal, tax, social, regulatory, reputational, environmental, political, corruption and fraud) that, were they to materialise, could have an adverse effect on the achievement of relevant goals for the Company.

Supervision of the effectiveness of ICFR is the responsibility of the Audit Committee. The Internal Audit Department applies specific

audit programmes on the financial information internal control system under the supervision of the Audit Committee.

9.3. CONTROL ACTIVITIES

Financial information review and authorisation procedures

The annual accounts of the parent entity, the consolidated annual accounts and the consolidated quarterly and semi-annual financial reports of Prosegur are reviewed by the Audit Committee prior to their formulation by the Board of Directors, in accordance with article 16 of its Regulations. The Audit Committee also reviews any other relevant information prior to publication through the regulatory bodies.

The Board of Directors approves and, where appropriate, draws up the financial information presented, which is subsequently published through the National Securities Market Commission and presented to third parties.

Prosegur conducts periodic reviews of the financial information it prepares, as well as the description of the ICFR in order to ensure the quality of information. The Financial Department is in charge of preparing the description of the ICFR in coordination with the departments involved. This process culminates with the review by the Audit Committee and consequently, it is also approved through the Annual Corporate Governance Report validated by the Board of Directors as a whole.

Financial Management provides a detailed description of the flow of activities and controls on significant transactions that affect the financial statements. The documentation of these flows defines the applicable rules of action and the information systems used for the accounting closing process. The procedures for preparing the accounting close of the Consolidated and Individual Financial Statements and Annual Accounts are updated and sent to the personnel involved in the process

of preparing the financial information. The documents detail the basic tasks of preparation, review and approval of the consolidated accounting closings and of the individual companies that make up the Group.

Prosegur discloses financial information to securities markets on a quarterly basis. The Financial Department is ultimately responsible for financial reporting. In the description of the flow of activities of the accounting closing process, the control activities that ensure the reliability of the information are identified. The corporate departments that make up the Financial Department analyse and supervise the information prepared.

Financial Management documents the risk of error or fraud in financial reporting and the controls that affect all critical processes/sub-processes. These processes cover the different types of transactions that can materially affect the financial statements (purchases, sales, personnel expenses, etc.), as well as the specific consolidation and reporting process.

In this sense, Prosegur has identified all the necessary processes for the preparation of financial information, in which relevant judgments, estimates, valuations and projections have been used, considering them all critical.

The documentation of each of the critical processes consists of:

- Flow diagrams of each one of the sub-processes.
- Risk and control matrices that include:
 - Detail of the procedures and internal rules approved by the Management, and which regulate said sub-processes.
 - Description of the key and non-key controls that mitigate each of the identified risks.

For each control, the following were identified:

- Organizational structures and/or job functions responsible for each of the identified key and non-key controls.
- Frequency of controls.
- Automation of the controls.

- Type of control: preventive or detective.
- Existence of fraud risk.
- Business to which it applies.
- Detail of the information systems that affect the controls.

The specific review of the relevant judgements estimates and valuations for quantifying goods, rights and obligations, revenue and expenses and any other commitment listed in the Individual and Consolidated Annual Accounts is performed by Financial Management with the collaboration and support of the rest of Prosegur Cash's Support Divisions. Assumptions based on business performance are analysed jointly with the Business Divisions.

The Chief Financial Officer and the Managing Director analyse the reports issued and approve financial information before it is presented to the Audit Committee and Board of Directors.

Internal control policies and procedures for information systems

Information Security, led by a Global CISO, reports directly to the Prosegur Group General Director and supports all those countries in which Prosegur is present. The Information Security area has the following responsibilities:

- To align information security objectives with the main strategic lines of business.
- To undertake Prosegur's information security as a global activity that is part of the business.
- To coordinate and approve the proposals received from projects related to information security.
- To provide the necessary resources for the development of information security initiatives.

- To identify and assess security risks against business needs.
- To raise awareness and train company employees on information security.

The Information Security Department is currently executing the 2021-2023 strategic plan, which includes the improvements necessary in relation to those matters and which serves as a guide for the ongoing and cultural process in relation to information security.

The Group has an updated Information Security Regulatory Framework that, among others, establishes the applicable guidelines in:

- Computer resource and system usage.
- Password management and use.
- Identity and access control management.

- Classification of the information
- Storage media protection.
- Security Incident management.
- Vulnerability management.
- Information security risk management.
- Asset Management.
- Training and awareness in Information Security.
- Management of cryptographic keys.
- Computer encryption and access to removable devices.
- System security requirements.
- Configuration, maintenance and change management.
- Network controls.
- Supervision of Systems and Networks.
- Suppliers management.
- Organisation of information security.
- Security in Cloud environments.

- Project Security.
- Systems auditability.

The Regulatory Framework has a global reach, it is under constant development and comprises the Information Security Policy, the Rules that emanate from it, and all procedures and technical instructions in compliance with the Group processes and assets (physical and/or digital), including systems with financial impact.

With this strategy and guidelines, the department seeks to ensure the following dimensions:

- Confidentiality, ensuring that the information is not placed at the disposal of or disclosed to unauthorised individuals, entities or processes.
- Integrity, protecting the accuracy and completeness of the information and processing methods.
- Availability, ensuring that the information is accessible and usable when required by an authorised individual, entity or process.
- Authenticity, ensuring that an entity is what it claims to be, which may be data, users or assets.
- Non-repudiation, ensuring the ability to prove the occurrence of an event or transaction and involvement of entities in it (which may be data, users or assets).
- Traceability, ensuring that all actions on information or an asset may be traced and that these actions may be unequivocally associated with an individual or entity.

Internal control policies and procedures for activities subcontracted to third parties and valuation services entrusted to independent experts

Recurring activities in the process of preparing the financial information are not subcontracted by Prosegur. Prosegur occasionally seeks advice from independent experts in the following situations:

- Assessment of the tax impact of corporate restructuring transactions.
- Tax advice for subsidiaries in preparing tax returns subject to specific regulations.
- Appraisals of the fair value of certain assets, branches of activity or businesses.
- Verification of the effectiveness of the money laundering prevention system.
- Valuation of new company purchase price allocation.
- Accounting advice regarding the reporting of annual financial reports in ESEF format.
- Accounting advice on the treatment of certain specific operations.

When hiring external advisors, depending on the amount, decision processes include at least three proposals from the economic and training point of view. Prosegur resorts to expert services that underpin valuations, judgements or accounting calculations only when they are registered with relevant Professional Associations or have equivalent certification, and when they are companies of renowned prestige on the market. The results of the evaluations, calculations or valuations entrusted to third parties in accounting, legal or tax matters are supervised by the corporate departments of the Financial Department or the Legal Department. The corresponding Prosegur departments also have adequate personnel to validate the conclusions of the reports issued.

9.4. INFORMATION AND COMMUNICATION

Function in charge of accounting policies

The Corporate Consolidation Department, which forms an integral part of the Corporate Finance Department, is responsible for preparing, issuing, publishing and subsequently applying the Accounting Standards applicable to Prosegur under the internal certification of the 3P process management system (Prosegur Policies, Processes). Likewise, it analyses and answers queries, doubts or conflicts about the interpretation and proper application of each of the policies.

The functions of the Corporate Consolidation Department include the analysis of International Financial Reporting Standards in order to comply with:

- The establishment of Support Standards or procedures to help personnel related to the process of preparing financial information.
- The analysis of transactions that require specific accounting treatment.
- The resolution of queries on the application of specific accounting standards.
- The evaluation of possible future impacts on the financial statements resulting from new developments or changes in international accounting regulations.
- The list of external auditors in relation to the criteria applied, accounting estimates and judgements.
- The resolution of any doubt caused by the different interpretations of the regulations themselves.

The process for updating Prosegur accounting procedures (3P accounting rules) is performed yearly. Fluid communication is maintained with all managers involved in preparing the financial information, and any updates made following the latest regulatory changes are also distributed and placed at the disposal of employees with accounting duties.

The consolidated financial information is consolidated and prepared centrally. The first phase of this process begins in the subsidiaries of the Prosegur Group, based on enterprise resource planning (ERP) platforms and under the supervision of Financial Management, which ensures that the financial information of these companies is reliable, complete and consistent. The individual and consolidated financial statements are consolidated and analysed based on the financial statements of the subsidiaries, and through computerised systems programmed for data extraction and aggregation.

There is a semi-annual reporting process to obtain the necessary information for the breakdown of the consolidated annual accounts and the interim consolidated financial statements. The Prosegur Accounts Plan is applied to all Prosegur subsidiaries for reporting purposes in the consolidation of financial statements.

9.5. SYSTEM SUPERVISION AND OPERATION

Supervision activities and results of the ICFR

In accordance with the provisions of article 16.3 of the Regulations of the Board of Directors, the Audit Committee has the following among its basic responsibilities:

- To inform the Shareholders General Meeting on issues raised in relation to those under the authority of the Committee and, specifically, on the result of the audit, explaining how this contributed to the integrity of the financial information and the role of the Committee in that process.
- Ensuring that the annual accounts that the Board of Directors presents to the Shareholders General Meeting are prepared in accordance with accounting regulations and, in those cases in which the auditor has included any condition in their audit report, to clearly explain the opinion of the Committee on its content and scope in the Shareholders General Meeting, through the Chairman of the Audit Committee, making a summary of said opinion available to the shareholders at the time of publication of the call for the General Meeting, together with the rest of the proposals and reports.
- Submitting the proposals for the selection, appointment, re-election and substitution of the external auditor to the Board of Directors, taking responsibility for the selection process in accordance with the provisions of the law, and for the conditions of their contracting and regularly requesting information from the auditor on the audit plan and its execution, in addition to preserving its independence in the exercise of its functions.
- In relation to the external auditor, to: (i) in the event of the resignation of the external auditor, to examine the circumstances that motivated it; (ii) to ensure that the remuneration of the external auditor does not compromise its independence; (iii) to supervise that the Company notifies the change in auditor to the National Securities Market Commission together with a statement on the possible existence of discrepancies with the outgoing auditor, and a description of these if they exist; (iv) to ensure that the external auditor holds a yearly meeting with a plenary meeting of the Board of Directors to report on the work performed and on the developments of the Company's accounting and risk situation; and (v) to supervise compliance with the audit agreement, endeavouring that the opinion on the annual accounts and main content of the audit report are drafted clearly and precisely; and (vi) to ensure that the Company and external auditor respect rules in force on the provision of services other than auditing, restrictions to the concentration of the auditor business and, in general, all other rules on auditor independence.
- Establishing and maintaining the appropriate relations with the external auditor to receive information on those issues that may pose a threat to its independence, for examination by the Committee, and any others related to the process of auditing accounts, and, when appropriate, the authorisation of services other than those prohibited, in the terms contemplated in the law, as well as those other communications provided for in the account auditing legislation and in the auditing regulations. In any case, the Audit Committee must receive an annual declaration of its independence from the auditor in relation to the entity or entities linked to it directly or indirectly, as well as detailed and individualised information on additional services of any kind provided and the corresponding fees received from these entities by the aforementioned auditor,

or by the persons or entities linked to it in accordance with the provisions of current regulations.

- Each year, prior to the issuance of the accounts audit report, to issue a report expressing an opinion on whether the independence of the accounts auditor is compromised. This report must, in any case, be made on the reasoned assessment of the provision of each and every one of the additional services referred to in the previous point, considered individually and as a whole, other than the legal audit and in relation to the regime of independence or the regulations governing the account auditing activity.
- Supervising the internal audit and, in particular, (i) ensure the independence and effectiveness of the internal audit function; (ii) propose the selection, appointment and dismissal of the head of the internal audit service; (iii) propose the budget for that service; (iv) approve or propose to the Board of Directors the approval of the internal audit orientation and annual work plan and the annual activities report, ensuring that its activity is mainly focused on the relevant risks (including of reputation); (v) receive regular information on its activities, and; (vi) verify that the senior management takes into account the conclusions and recommendations of its reports.
- Supervising the process for preparing and submitting the necessary financial information and presenting recommendations or proposals to the governing body aimed at safeguarding its integrity. In relation to this, it is responsible for supervising the process for the preparation and integrity of financial and non-financial information, as well as the systems for control and management of financial and non-financial risks relative to the Company and to the Group, including operational, technological, legal, social, environmental, political and reputational systems or those regarding corruption, checking for compliance with legal requirements, the appropriate definition of the consolidation perimeter, and the proper application of accounting criteria, disclosing this to the Board of Directors
- Supervising the effectiveness of the Company's internal control and risk management systems, including tax risks, and discussing any significant weaknesses in the internal control system detected during the audit with the accounts auditor, all without violating their independence. For such purposes, and where appropriate, it may present recommendations or proposals to the Board of Directors and the corresponding term for its follow-up'. With regard to this, it corresponds to it to make proposals to the Board of Directors regarding the risk management and control policy, which will identify at minimum: (i) the types of financial or non-financial risks (operating, technological, legal, social, environmental, political and reputational, including those regarding corruption) that the Company faces, with the financial or economic risks including contingent liabilities and other off balance sheet risks; (ii) a risk control and management model based on various levels, of which a commission specialising in risks will form part when sectoral rules so provide or the Company deems its appropriate; (iii) the risk level that the Company considers acceptable; (iv) the measures to mitigate the impact of risk events should they occur; and (v) the reporting and control system to be used to control and manage those risks'.
- Supervising the operation of the Company's risk control and management unit responsible for: (i) to ensure the proper functioning of the risk control and management systems and, in particular, that all significant risks affecting the Company are properly identified, managed, and quantified; (ii) to actively participate in preparing the risk strategy and in taking important decisions regarding its management; and (iii) to ensure that risk control and management systems adequately mitigate the risks in accordance

with the policy defined by the Board of Directors.

- Analysing and reporting the economic conditions, the accounting impact and, if applicable, the proposed exchange equation of the structural and corporate modification operations that the Company plans to carry out, before their submission to the Board of Directors.
- Reporting, in advance, to the Board of Directors, on all matters provided for in the law and the Articles of Association, and, in particular, on: (i) the financial information that the Company must publish periodically, and; (ii) the creation or acquisition of shares in entities of special purpose or entities domiciled in countries or territories that are considered tax havens.
- Reviewing the issue prospectuses and any other relevant information that the Board of Directors must provide to the markets and their supervisory bodies.
- To establish and supervise a system which enables the employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to notify any irregularities of potential significance, including financial and accounting or any other type of irregularities regarding the Company that may be detected within the Company or its Group. Said mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and accused.
- To receive information and, as the case may be, to issue a report on all actions and decisions made by the Regulatory Compliance Department in the exercise of its authorities and, specifically, in relation to the provisions of the Company's Internal Code of Conduct on Matters relating to Securities Markets.

- Supervising the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. Likewise, the way in which the Company communicates and relates to small and medium shareholders will be monitored.
- To inform on related transactions or any others that involve or may involve conflicts of interest, in the terms established by Law and in this Regulation.
- In general, to ensure that the policies and systems established on internal control are effectively applied in practice..
- Informing, prior approval by the Board of Directors, the annual corporate governance report regarding related operations and risk control and management systems

Prosegur has an Internal Audit Department that is functionally dependent upon the Audit Committee. Its objectives and functions include (i) assisting the Audit Committee in the objective fulfilment of its responsibilities, (ii) verifying proper risk management and (iii) ensuring the integrity and reliability of the accounting information.

The Internal Audit Department has prepared a programme for ICFR review that is regularly executed over two-year periods and is integrated in the annual work schedules submitted to the Audit Committee for approval.

The Internal Audit Department continuously updates its verification programmes in order to adapt these to possible changes to ICFR made by the Financial Information Department that provides the Group with support from Prosegur Gestión de Activos.

In 2021, significant processes were reviewed in relation to financial information in Spain and other European and Latin American subsidiaries.

The Internal Audit Department verifies the state of implementation of the recommendations included in its audit reports, including those related to the ICFR verifications. In 2021, two semi-annual reports were issued on the implementation of the recommendations sent to the members of the Audit Committee.

As Prosegur's risk control and management unit, the Risk Committee ensures the proper functioning of the risk control and management systems and, in particular, that all significant risks that affect the company are properly identified, managed, and quantified. Prosegur actively participates in preparing the risk strategy

and in the important decisions regarding its management and ensures that risk control and management systems adequately mitigate the risks.

In coordination with the Internal Audit Department, quarterly evaluations are made of critical risk management that may possibly include financial reporting risks, based on key risk indicators, their comparison with the established limits and their evolution over time. The results are presented to the Corporate Risk Committee for analysis and to the Audit Committee for the supervision of their management.

Detection and management of weaknesses

During 2021, external auditors participated in two meetings of the Audit Committee to review the conclusions of their audit of the annual accounts as well as the procedures conducted within the context of the annual audit of planning and progress on the auditing task of half-yearly figures. Likewise, the external auditors report on any internal control weaknesses and opportunities for improvement that they have identified in the performance of their work.

Likewise, the Chief Financial Officer, with responsibility for preparing the annual accounts

and interim financial information that Prosegur provides to the markets and its supervisory boards, attends Audit Committee meetings to review and discuss any relevant matter in the process of preparing and presenting regulatory financial information.

In each meeting of the Auditor Committee, the Internal Audit Director provides conclusions of verification on the operation and efficacy of ICFR procedures, control weaknesses identified, any recommendations made and the status of execution of the action plans resolved to mitigate them.

9.6. REPORT OF THE EXTERNAL AUDITOR

Prosegur has submitted the ICFR information sent to the markets for the 2021 financial year for review by the external auditor, whose report is included in the pages that follow. The scope of the auditor's review procedures has been determined to be made with the Guidelines for Action and the model auditor report referring to information concerning the July 2013 internal control system on financial reporting of listed companies, issued by the Spanish Association of Chartered Accountants.

**Auditor's report on the "Information related to
the System of Internal Control over Financial Reporting
(ICFR-SCIIF in Spanish)" of PROSEGUR COMPAÑÍA DE
SEGURIDAD, S.A. for the year 2021**

AUDITOR'S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR-SCIIF IN SPANISH)"

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

To the Board of Directors of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

In accordance with the request from the Board of Directors of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (hereinafter the Company) and our engagement letter dated December 15, 2021, we have performed certain procedures on the accompanying "ICFR-related information" included in section F of the 2021 Annual Corporate Governance Report of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. which summarizes the Company's internal control procedures regarding annual financial information.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Company in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the entity's internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Company's annual accounts. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Company's annual financial information for 2021 described in the ICFR related information related information of the Annual Corporate Governance Report. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Likewise, since this special engagement does not constitute an audit of the annual accounts or a review in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures applied were as follows:

1. Read and understand the information prepared by the Company in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Directors' Report - and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).
2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Company.
3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit Committee.
4. Compare the information described in point 1 above with our knowledge of Company's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the annual accounts.
5. Read the minutes of the meetings held by the Board of Directors, Audit Committee and other Company committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.
6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR-related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

Ana María Prieto González

February 25, 2022

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2021

The members of the Board of Directors of Prosegur Compañía de Seguridad, S.A. hereby confirm that, to the best of our knowledge, the Consolidated Annual Accounts of Prosegur Compañía de Seguridad, S.A. for 2021, authorised for issue by the Board of Directors at the meeting held on 24 February 2022 and prepared in accordance with applicable accounting principles and with the European Unique Electronic Format, present fairly the equity, financial position and results of Prosegur Compañía de Seguridad, S.A. and the consolidated subsidiaries taken as a whole, and that the respective consolidated directors' report provides a reliable analysis of the Company's performance and results and the position of Prosegur Compañía de Seguridad, S.A. and its consolidated group, together with the main risks and uncertainties facing the group.

In Madrid, 24 February 2022.

Ms Helena Irene Revoredo Delvecchio
President

Mr Isidro Fernández Barreiro
Vice-president

Mr Christian Gut Revoredo
Managing Director

Mr Fernando D'Ornellas Silva
Director

Ms Chantal Gut Revoredo
Director

Mr Ángel Durández Adeva
Director

Mr Fernando Vives Ruiz
Director

Mr Eugenio Ruiz-Gálvez Priego
Director

Mr Rodrigo Zulueta Galilea
Director

DIRECTORS' RESPONSIBILITY OVER THE CONSOLIDATED ANNUAL ACCOUNTS

The Consolidated Annual Accounts of Prosegur Compañía de Seguridad, S.A. and subsidiaries are the responsibility of the directors of the Parent Company and have been prepared in accordance with international financial reporting standards endorsed by the European Union.

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

The Company evaluated its internal control system at 31 December 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.

Ms Maite Rodríguez Sedano

Chief Financial Officer

