

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

**PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.
Annual Accounts and Director' Report
for the year ended
December 31, 2023**

AUDIT REPORT ON ANNUAL ACCOUNTS ISSUED BY AN INDEPENDENT AUDITOR

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

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

Report on the annual accounts

Opinion

We have audited the annual accounts of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (the Company), which comprise the balance sheet as at December 31, 2023, the income statement, the statement of changes in equity, the cash flow statement, and the notes thereto for the year then ended.

In our opinion, the accompanying annual accounts give a true and fair view, in all material respects, of the equity and financial position of the Company as at December 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2 to the accompanying annual accounts) and, specifically, the accounting principles and criteria contained therein.

Basis for opinion

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

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

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

Key audit matters

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

Valuation of long-term investments in group companies and associates

Description As of December 31, 2023, the Company has long-term investments in group and associated companies recorded in non-current assets amounting to 1.496 million euros, representing 81% of total assets.

The Company's Management evaluates at least annually for any indications of impairment and makes the necessary value adjustments whenever there is objective evidence that the book value of an investment will not be recoverable, with the amount of the value adjustment being the difference between its book value and the recoverable amount.

In situations with potential indications of impairment, the recoverable amount has been determined considering the value in use for the companies of the Cash, Security, Cybersecurity and AVOS business lines and based on fair value for the companies of the Alarms business line.

The determination of the recoverable amount requires complex estimates, which entails the application of judgments in the establishment of the assumptions considered by the Company's Management in relation to these estimates.

We have considered this area as a key audit matter in our audit due to the significance of the amounts involved and the inherent complexity in the estimation process for determining the recoverable amount of these investments.

Information related to the valuation rules applied by the Company's Management and the main assumptions used to determine the impairment of the value of long-term investments in group and associated companies is contained in Notes 25.3 and 9 of the attached annual accounts.

Our Response

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

- ▶ Understand the process established by Company Management to determine impairment of the losses on long-term investments in group companies and associates and assessment of the design and implementation of relevant controls established in the process.
- ▶ Assessment of the analysis of impairment indicators of the long-term investments in group companies and associates carried out by Company's Management.
- ▶ Regarding the group companies and associates in Cash, Security, Cybersecurity and AVOS business lines, review of the models used by Company's Management, in collaboration with our valuation specialists, encompassing its mathematical coherence, reasonableness of the projected cash flows, discount and long-term growth rates, as well as the consistency of these models with the business plans approved by the Company's governing bodies. Throughout the performance of our work, we held interviews with those responsible for the preparation of the models and using renowned external sources and other available information to contrast the data.

- ▶ With respect to the group companies and associates in Alarms business line, review, in collaboration with 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 Company's Management regarding the estimates performed in determining the recoverable amount in the event of changes in the relevant assumptions considered.
- ▶ Review disclosures included in the annual accounts in accordance with the applicable financial reporting framework.

Tax and legal provisions and contingencies

Description At December 31, 2023, the Company is involved in lawsuits of different nature, including tax claims as the head of the Spanish Tax Group within the Prosegur Group.

The assessment of the contingencies related to these lawsuits and claims and, when applicable, the valuation of possible related provisions, requires complex estimates to be made by Company's Management, which entails the application of judgements in determining the assumptions considered in relation to these estimates.

We have considered this area as 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 date, with a significant impact on the balance sheet and the 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 term, are included in Notes 25.10, 14, 16 and 17 of the accompanying annual accounts.

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

- ▶ Understand the process established by Company's Management to estimate provisions and contingencies and assessment of the design and implementation of relevant control established in the process.
- ▶ Obtain confirmation letters from the internal and external legal and tax advisors of the Company, with their representation regarding the current status of the ongoing lawsuits and claims, as well as the assessment of the risk related to them.
- ▶ Involve our legal and tax specialists to analyze the reasonableness of the conclusions reached by Company's Management.
- ▶ Review disclosures included in the annual accounts in accordance with the applicable financial reporting framework.

Other information: directors' report

Other information refers exclusively to the 2023 directors' report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the annual accounts.

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

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

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the directors' report is consistent with that provided in the 2023 annual accounts and its content and presentation are in conformity with applicable regulations.

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

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

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

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

Auditor's responsibilities for the audit of the annual accounts

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital file of the European single electronic format (ESEF) of PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. for the 2023 financial year, consisting of an XHTML file containing the annual accounts for the year, 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 2023 financial year, in accordance with the formatting requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors have been included by reference in the directors' report.

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

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

Additional report to the audit committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit committee of the Company on February 28, 2024.

Term of engagement

The Ordinary General Shareholders' Meeting held on June 7, 2023 appointed us as auditors for a period of four years, starting from the fiscal year ended on December 31, 2023.

Previously, we were appointed by the General Shareholders' Meeting for a period of three years and we have been performing the audit work uninterruptedly since the fiscal year ended December 31, 2020

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signature on the original in Spanish)

Ana María Prieto González
(Registered in the Official Register of
Auditors under No. 18888)

February 28, 2024



PROSEGUR

Annual Accounts and Directors' Report at 31 December 2023

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

Prosegur Compañía de Seguridad, S.A.

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I. INCOME STATEMENT FOR THE YEARS ENDED 31 December 2023 AND 2022

(Expressed in thousands of EUR)

	Note	2023	2022
Net turnover	3	55,821	84,102
Dividend received	3 and 19	22,405	51,822
Loan interest income	3 and 19	4,415	1,032
Provision of services	3 and 19	29,001	31,248
Supplies		(23)	(26)
Consumption of raw materials and other consumables		(23)	(26)
Other operating income		719	1,098
Non-core and other operating revenues		719	1,098
Personnel Expenses	3	(7,330)	(9,359)
Wages, salaries and similar charges		(6,467)	(8,590)
Social security obligations		(863)	(769)
Other operating expenses		(12,674)	(15,023)
External services	3	(11,403)	(13,043)
Taxes		(168)	(111)
Losses, impairment and changes in commercial provisions		(2)	—
Other ordinary expenses		(1,101)	(1,869)
Fixed assets deterioration	6 and 7	(4,623)	(4,619)
Impairment and profit/loss on disposal of financial instruments	9	(69,490)	(80,064)
Impairments and Losses		(69,490)	(80,064)
Other profit/loss	3 and 14	(10,812)	12,496
OPERATING PROFIT/LOSS		(48,412)	(11,395)
Finance income	4	3,296	1,922
Third parties		3,296	1,922
Finance expense	4	(30,165)	(23,575)
From payables to Group companies and associates	4 and 19	(3,234)	(1,204)
From payables to third parties		(26,931)	(22,371)
Exchange differences	4	499	(1,244)
FINANCE PROFIT/LOSS		(26,370)	(22,897)
PROFIT/LOSS BEFORE TAX		(74,782)	(34,292)
Income tax	16	2,233	1,111
PROFIT/LOSS FOR THE YEAR	5	(72,549)	(33,181)

The accompanying notes form an integral part of the Annual Accounts for 2023.

II. BALANCE SHEET AT 31 DECEMBER 2023 AND 2022

(Expressed in thousands of EUR)

ASSETS	Note	2023	2022
NON-CURRENT ASSETS		1,697,095	1,781,565
Intangible assets	6	12,822	16,745
Patents, licences, trademarks and others		12,808	16,745
Other intangible assets		14	—
Property, plant and equipment	7	9,226	9,819
Technical facilities and other property, plant and equipment		9,226	9,819
Long-term investments in Group companies and associates		1,496,164	1,596,419
Equity instrument	9	1,496,164	1,596,419
Long-term financial investments	8 and 11	139,930	134,393
Equity instrument	8 and 10	139,650	134,113
Other financial assets	8 and 11	280	280
Deferred tax assets	16	38,953	24,189
CURRENT ASSETS		147,772	829,113
Trade and other receivables		19,116	15,487
Clients' receivables for sales and services	8	264	296
Clients, Group companies and associates	8, 11 and 10	14,676	14,450
Personnel	8 and 11	2	2
Current tax assets	16	68	—
Public entities, other receivables	16	4,106	739
Short-term investments in Group companies and associates	8, 11 and 10	104,670	167,181
Loans to companies		81,180	76,417
Other financial assets		23,490	90,764
Short-term financial investments	8 and 11	348	348
Loans to companies		348	348
Short-term deferrals		48	130
Cash and cash equivalents	12	23,590	645,967
Cash and other cash equivalents		23,590	150,967
Other cash equivalents		—	495,000
TOTAL ASSETS		1,844,867	2,610,678

The accompanying notes form an integral part of the Annual Accounts for 2023.

(Expressed in thousands of EUR)

NET EQUITY AND LIABILITIES	Note	2023	2022
EQUITY		803,879	905,589
Shareholders' equity		804,512	911,758
Subscribed capital	13	32,702	32,702
Registered capital		32,702	32,702
Share premium	13	25,472	25,472
Reserves	13	881,749	916,961
Legal and statutory reserves		7,406	7,406
Other reserves		819,343	843,143
Capitalisation reserve		55,000	66,412
(Own shares and equity holdings)	13	(29,681)	(30,196)
Previous years' profit/loss		(33,181)	—
(Previous years' losses)		(33,181)	—
Profit/loss for the year	5	(72,549)	(33,181)
Value change adjustments	10	(633)	(6,169)
Assets at fair value with changes in equity		(633)	(6,169)
NON-CURRENT LIABILITIES		815,589	745,718
Non-current provisions	14	47,476	39,957
Obligations for long-term personnel benefits		444	2,059
Other provisions		47,032	37,898
Long-term debts	8 and 15	741,994	679,642
Debentures and other negotiable securities		494,134	494,134
Bank borrowings		244,520	179,520
Other financial liabilities		3,340	5,988
Long-term payables to Group companies and associates	8, 15 and 19	9,000	9,000
Deferred tax liabilities	16	17,119	17,119
CURRENT LIABILITIES		225,399	959,371
Short-term provisions	14	2,600	—
Obligations for short-term personnel benefits		2,600	—
Short-term debts	8 and 15	69,743	759,587
Debentures and other negotiable securities		10,517	715,856
Bank borrowings		54,845	39,381
Other financial liabilities		4,381	4,350
Short-term payables to Group companies and associates	8, 15 and 19	136,578	183,232
Trade and other payables		16,478	16,552
Suppliers, Group companies and associates	8, 15 and 19	4,728	2,149
Sundry accounts payable	8 and 15	2,917	3,839
Personnel (salaries payable)	8 and 15	1,196	1,131
Public entities, other payables	16	7,637	9,433
TOTAL EQUITY AND LIABILITIES		1,844,867	2,610,678

The accompanying notes form an integral part of the Annual Accounts for 2023.

III. STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE

(Expressed in thousands of EUR)

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Profit/loss in the income statement	5	(72,549)	(33,181)
Income and expenses passed on directly to the net equity:			
I. For the valuation of financial instruments		5,536	(18,191)
1. Financial assets at fair value with changes in equity	10	5,536	(18,191)
Total income and expenses passed on directly to the Net Equity		5,536	(18,191)
Total comprehensive income and expenses		<u>(67,013)</u>	<u>(51,372)</u>

The accompanying notes form an integral part of the Annual Accounts for 2023.

B) STATEMENT OF TOTAL CHANGES IN EQUITY

(Expressed in thousands of EUR)

	Share capital	Share premium	Legal Reserve	Other Reserves	Capitalisation reserve	(Own shares and equity holdings)	Previous years' profit/loss	Profit/loss for the year	(Interim dividend)	Other net equity instruments	Value change adjustments	TOTAL
	(Note 13)	(Note 13)	(Note 13)	(Note 13)	(Note 13)	(Note 13 c)	(Note 13 c)	(Note 5)	(Note 5)	(Note 13)	(Note 10)	
START OF FINANCIAL YEAR 2022	32,916	25,472	7,406	877,777	55,000	(29,439)	—	75,682	(68,027)	2,283	12,022	991,092
Total comprehensive income and expenses	—	—	—	—	—	—	—	(33,181)	—	—	(18,191)	(51,372)
Operations with partners and owners	(214)	—	—	(36,945)	—	(4,405)	—	(75,682)	68,027	—	—	(49,219)
(-) Capital reductions	(214)	—	—	(8,612)	—	8,826	—	—	—	—	—	—
(-) Dividend distribution	—	—	—	(35,988)	—	—	—	—	—	—	—	(35,988)
Other operations with partners or owners	—	—	—	7,655	—	—	—	(75,682)	68,027	—	—	—
Operations with own stocks or shares	—	—	—	—	—	(13,231)	—	—	—	—	—	(13,231)
Other changes in equity	—	—	—	2,311	11,412	3,648	—	—	—	(2,283)	—	15,088
Accrued share-based incentives	—	—	—	183	—	3,648	—	—	—	(2,283)	—	1,548
Other changes	—	—	—	2,128	11,412	—	—	—	—	—	—	13,540
BALANCE AT YEAR END 2022	32,702	25,472	7,406	843,143	66,412	(30,196)	—	(33,181)	—	—	(6,169)	905,589
Total comprehensive income and expenses	—	—	—	—	—	—	—	(72,549)	—	—	5,536	(67,013)
Operations with partners and owners	—	—	—	(36,026)	—	—	(33,181)	33,181	—	—	—	(36,026)
(-) Dividend distribution	—	—	—	(36,026)	—	—	—	—	—	—	—	(36,026)
Other operations with partners or owners	—	—	—	—	—	—	(33,181)	33,181	—	—	—	—
Other changes in equity	—	—	—	12,226	(11,412)	515	—	—	—	—	—	1,329
Accrued share-based incentives	—	—	—	(15)	—	515	—	—	—	—	—	500
Other changes	—	—	—	12,241	(11,412)	—	—	—	—	—	—	829
BALANCE AT YEAR END 2023	32,702	25,472	7,406	819,343	55,000	(29,681)	(33,181)	(72,549)	—	—	(633)	803,879

The accompanying notes form an integral part of the Annual Accounts for 2023.

IV. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Expressed in thousands of EUR)

	Note	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax financial year profit		(74,782)	(34,292)
Adjustments made to profit/loss		93,755	51,124
Fixed assets depreciation (+)	6 & 7	4,623	4,619
Change in provisions (+/-)	14	15,696	(5,074)
Profit/loss from disposal and sale of financial instruments (+/-)	9	69,471	80,064
Finance income (-)	4	(3,296)	(1,922)
Dividend received (-)	3	(22,405)	(51,822)
Finance expense (+)	4	30,165	23,575
Exchange differences (+/-)	4	(499)	1,244
Other income and expenses (-/+)		—	440
Changes in current capital		56,885	49,911
Clients and other receivables (+/-)		(3,547)	2,756
Other current assets (+/-)		59,910	55,248
Trade and other payables (+/-)		522	5,526
Other non-current assets and liabilities (+/-)		—	(13,619)
Other cash flows from operating activities		21,896	13,225
Interest payments (-)		(2,846)	(932)
Dividend collection (+)		22,405	13,115
Interest received (+)		2,814	467
Other payments (receipts) (+/-)		(477)	575
Cash flows from operating activities		97,754	79,968
Payments for investments (-)		(57,349)	(50,536)
Group companies and associates		(57,242)	(50,520)
Intangible assets		(14)	—
Property, plant and equipment	7	(93)	(16)
Collections from disposal of investments (+)		88,000	—
Group companies and associates		88,000	—
Cash flows from investing activities		30,651	(50,536)
CASH FLOWS FROM FINANCING ACTIVITIES		(750,782)	492,488
Collections and payments for equity instruments	13	—	(13,367)
Purchases of equity instruments (-)		—	(13,367)
Collections and payments for liability instruments		(715,659)	605,054
Issue		74,247	696,159
Debentures and similar securities (+)		—	505,145
Bank borrowings and other debts (+)		74,247	165,346
Loans to Group companies and associates (+)		—	25,668
Repayment and amortisation of		(789,906)	(91,105)
Debentures and similar securities (+)		(719,500)	—
Loans to Group companies and associates (-)		(63,470)	—
Other payables (-)		(6,936)	(91,105)
Dividends payable and remunerations from other equity instruments		(35,123)	(99,199)
Dividends (-)		(35,123)	(99,199)
Cash flows from financing activities		(750,782)	492,488
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(622,377)	521,920
Cash and equivalents at the beginning of the year	12	645,967	124,047
Cash and equivalents at the end of the year	12	23,590	645,967

V. NOTES TO THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. (hereinafter the Company or Prosegur), the parent company of the Prosegur Group, has its registered offices at Calle Pajaritos 24 in Madrid. The Company was incorporated on 14 May 1976 and is entered in the Companies Register of Madrid as the first inscription on page 32,805, section 3, sheet 22 of volume 4,237.

The corporate purpose of the Company is described in article 2 of its Articles of Association, including the following services and activities:

1. Security and the protection of goods, premises, shows, competitions and conventions.
2. The protection of certain individuals subject to prior authorisation.
3. The storage, safekeeping, counting and classification of coins and banknotes, deeds, securities and other items that require special protection due to their economic value, the expectations they generate or the associated risk, notwithstanding any activities inherent to financial institutions.
4. The transportation and distribution of the aforementioned objects using, where necessary, vehicles with characteristics regulated by the Spanish Ministry of Home Affairs to avoid confusion with those used by the armed forces or state security forces.
5. The installation and maintenance of security equipment, devices and systems.
6. The operation of centres in which alarm signals are received, verified, broadcast and reported to state security forces, as well as the provision of response services in circumstances that do not come under the state security forces.
7. Planning of security activities and related advisory services.
8. Security services and the protection of rural property by private security guards.

The activities comprising the corporate purpose can also be performed indirectly by the Company, by means of the shareholding in other companies of an identical or similar corporate purpose.

The services provided by the Prosegur Group are distributed mainly into the following business lines:

- Security.
- Cash.
- Alarms.
- Cybersecurity.
- AVOS Services (Added-value outsourcing processes and services).

From 2013 the Company segregated the private security business line in Spain to Prosegur España, S.L.U. resulting in the main activity of the Company now becoming the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee

companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

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

Prosegur Compañía de Seguridad, S.A., at 31 December 2023, is controlled by Gubel, S.L., a company incorporated in Madrid which, after the capital reduction which was approved at the Shareholders Extraordinary General Meeting held on 7 December 2022, owns 59.86% (59,758% in 2022) of the Company's shares.

Prosegur Compañía de Seguridad, S.A. is a public limited company that is listed on the Stock Exchanges of Madrid, Valencia, Bilbao and Barcelona whose shares are traded on the Spanish Stock Exchange Interconnection System (SIBE).

In accordance with prevailing legislation, Prosegur Compañía de Seguridad, S.A. is the parent of a group of companies (hereinafter the Group). In accordance with generally accepted accounting standards in Spain, Consolidated Annual Accounts must be prepared to present fairly the financial position of the Group, the results of operations and changes in its equity and cash flows. Details of investments in group companies, associates and jointly controlled companies are disclosed in Appendix I.

The Directors prepare the Consolidated Annual Accounts of Prosegur Compañía de Seguridad, S.A., in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and approved by the European Commission Regulations in force at 31 December 2023. The Consolidated Annual Accounts were drawn up by the Board of Directors, together with these Individual Annual Accounts, on 28 February 2024 and are pending approval by the shareholders at their general meeting, after which they will be filed at the Mercantile Register of Madrid.

The Consolidated Annual Accounts of Prosegur Compañía de Seguridad, S.A. and its subsidiaries for 2023 present consolidated profit of EUR 78,510 thousand and consolidated equity of EUR 717,541 thousand (EUR 84,059 thousand and EUR 790,322 thousand respectively in 2022).

2. Basis for Presentation

a) Fair image

The annual accounts have been prepared on the basis of the Company's accounting records and are presented in accordance with corporate legislation in force and the standards set out in the Spanish General Chart of Accounts approved under Royal Decree 1514/2007, of 16 November and in the amendments to the General Chart of Accounts established by Royal Decree 1159/2010, of 17 September, and Royal Decree 602/2016, of 2 December, and the Royal Decree 1/2021, of 12 January, and also the publication of 13 February 2021 of the Accounting and Audit Institute (ICAC) resolution under which the standards are established for the accounting, valuation and drawing up of annual accounts for the recognition of revenue from the delivery of goods and rendering of services, in order to reflect a true and fair image of the equity, financial situation and profit/loss of the Company, as well as the veracity of the cash flows shown in the cash flow statement.

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

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

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

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

Estimate of the recoverable value of investments in subsidiaries

The Company carries out impairment testing on investments made in subsidiaries if there is any proof of value impairment. The calculation of impairment involves the comparison of the carrying amount of the investment with its recovery value, this being understood as the higher fair value less cost of sale and value in use. The Company generally uses cash flow discounting methods to calculate these values. The Company prepares the future cash flows before tax based on the most recent budgets approved by Management, the current Strategic Plan includes the 2024 to 2026 period, as well as projected future years. These budgets incorporate the best available estimates of income and expenses using past experience and future expectations. Estimated cash flows for future years have been calculated by applying non-increasing estimated growth rates that do not exceed the average long-term growth rate. The key assumptions to determine the fair value less cost of sale and value in use include growth rates, average weighted rate of capital and tax rates (see Notes 9 and 25.4).

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

The amount recoverable from the companies belonging to the Alarm business is calculated by its fair value and the amount recoverable from the companies belonging to the Cash, Security, Cyber-security and AVOS businesses by their value in use.

Fair value as a calculation method:

With regard to the companies that belong to the Alarm business, given the type of business in which growth is based on the increase in costs for recruiting 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.

To analyse the impairment of the Alarms companies, their fair value was used as the basis for the recoverable value, which was estimated according to the market multiples for the last transactions observed. The multiple used is 45 times the recurring monthly income per connection.

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 includes the 2024 to 2026 period. The gross margin and sales projections, on which the value in use calculation is based, are calculated on the basis of macroeconomic growth in each of the countries, as well as profitability plans, geographic and business diversification, and the implementation of sustainable strategies, in order to optimise results and cash flows.

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.

The years following the strategic plan have been estimated based on the trend of each CGU in recent years, the macroeconomic situation of each country and the efficiency plans implemented.

During the financial year 2023 all the geographies where the Group operates have had a solid growth in local currency of each country, mainly due to an inflationary macroeconomic situation that favours the cash management business, but also due to a maintained rhythm in consumption, the good acceptance of the commercial and operational proposals offered by Prosegur to its clients and a complicated geopolitical situation that favours the security business. This growth was also helped by positive developments in new products and the pass-through in trade flows of the impact of inflationary pressures.

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. For the years after the strategic plan, year-on-year growth rates were estimated in association with macroeconomic data such as inflation and Gross Domestic Product published by the central bank of each country, ranging mainly between 1.98% and 12.51%, based on the price increase rate for each of the countries and each of the years and an estimated volume increase, except for countries such as Argentina where the estimated price increase rate is around 300% for 2024 and 49% on average for the rest of the projected years.
- Gross Profit/Loss: based on efficiency plans defined by the Company, mainly the optimisation of client portfolios, using a method of cost-benefit analysis aimed at establishing threshold margins under which it is not considered viable to establish a business relationship with those clients. The Gross Margin is calculated as the total sales revenue of the Company less cost of sales, divided by total sales revenue, expressed as a percentage.
- Adjusted EBITA: based on the average optimisation costs obtained in the past. It is calculated using the Company's net profit, before deducting interest, tax, depreciation and amortisation.

- EBITDA, calculated on the basis of the operating profit/loss or EBIT, and adjusting the depreciation, amortisation and impairment of fixed assets, excluding the impairment of property, plant and equipment.
- 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 in the strategic plan.
- 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.

Provisions and contingencies

The Company has made judgements and estimates in relation to the probability of risks liable to cause the recording of provisions, and the amount thereof, where appropriate, recording a provision only when the risk is considered probable, when they estimate the cost that said obligation would cause (Notes 17 and 25.10).

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 (Notes 8 and 10).

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 valuation 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 8: Analysis of financial instruments
- Note 10: Financial assets at fair value with changes in equity.

Going concern

As of 31 December 2023, the Company has a negative working capital of EUR 77,627 thousand (EUR 130,258 thousand negative working capital at 31 December 2022). As indicated in Note 1, the Company is the head of the Prosegur Group, which at 31 December 2023 presented a positive working capital of EUR 142,031 thousand (EUR 202,594 thousand at 31 December 2022) in the Consolidated Annual Accounts. The Company also has the capacity to generate future cash flows via the management of its subsidiaries' dividends. Additionally, as of 31 December 2023, the Group presents a consolidated result attributable to Prosegur Compañía de Seguridad, S.A. as Parent Company of EUR 65,542 thousand (EUR 64,679 thousand at 31 December 2022). Finally, as indicated in Notes 22 and 25 of the Consolidated Annual Accounts of the Prosegur Group, at 31 December 2023, the Group companies had available treasury of EUR 440,449 thousand and had been granted undrawn additional financing of EUR 541,388 thousand (EUR 1,166,193 thousand and EUR 617,799 thousand as of 31 December 2022, respectively).

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

Climate change, sustainability and the environment

These individual annual accounts have been prepared taking into account the provisions of the informative document issued by the International Accounting Standards Board (IASB) in November 2020 and in July 2023, which included information requirements in relation to climate change.

In this regard, Prosegur continues to make progress in its efforts to integrate ESG (environmental, social and governance) criteria—three interrelated elements—into its corporate culture.

In line with its 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, is the Board of Directors.

The structure 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. 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 actions implemented by Prosegur over the last five years in these areas have focused, primarily, on strengthening the environmental responsibility of Prosegur's services, creating decent and stable employment, training its workers, the health and safety of its professional teams, respect for human rights, and rigorous compliance with regulations and good governance.

In terms of the environment, Prosegur is committed to reducing its emissions in both the medium and long term. This is despite the fact that, as Prosegur's activities are focused primarily on the provision of services and not on transformation or manufacturing, they do not have a significant impact on the environment, nor do they act as an accelerator of climate change or a threat to biodiversity.

Prosegur's main lines of action are detailed below:

- Approval by the Board of Directors of a Sustainability Policy, 27 October 2021, and an Environmental Policy, 28 April 2021.
- Approval by the Board of Directors, at its meeting on 28 April 2021, of the 2021-2023 Sustainability Master Plan, which includes targets and specific actions for the transition to a circular economy, waste reduction and accelerated decarbonisation. In this sense, the Company is increasing supplies of clean energy and energy optimisation, and is adapting its plant, property and equipment with others of low emissions.

- Development of a specific project to analyse potential risks and opportunities arising from climate change. This examination was made under the greenhouse gas emissions scenario and in different time periods, in accordance with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).
- Strategic penetration in the offer and development of new products, which do not require transportation and therefore reduce carbon dioxide emissions.
- Development of projects to offset carbon dioxide emissions.

In accordance with the regulatory obligations set out in the so-called “European Green Taxonomy”, Prosegur is obligated to comply with said Taxonomy and to report the specific Key Performance Indicators on the eligibility and alignment of its activities. The percentages of eligibility, non-eligibility, alignment and non-alignment in accordance with Regulation (EU) 2020/852 are published annually in the Group’s Directors’ Report.

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.

Active conflicts

The instability of the international geopolitical situation brought about by the Russian Federation’s military invasion of Ukraine in February 2022 triggered inflationary pressures on the economy, with a significant increases in salaries, energy prices and currency exchange rates. In light of this, central banks withdrew the majority of monetary stimuli and increased interest rates during the second half of 2022.

The October 2023 conflict in the Middle East, and its subsequent escalation to the Red Sea, has contributed to further delaying expectations of normalisation of inflation and interest rates and has created a volatile supply chain environment.

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

The Company has no direct exposure to the geographical areas of conflict described, as it does not operate in these territories. Likewise, the acquisitions made by the Company on the Asian continent are not significant.

Inflationary impacts continue to be offset by trade flow, passing on the increase in labour costs to clients on a more recurring basis.

The impact of interest rate increases is being partially mitigated by the Company’s financing structure, which includes fixed-rate debt due to the Company’s issuance of uncovered bonds in December 2018 and April 2022.

Economic instability in Argentina

Argentina has a long history of political and economic instability, with large fluctuations in the growth rate each year, currency devaluation and hyperinflation.

The change of government in November 2023 brought with it an adjustment plan to start correcting the strong macroeconomic distortions, which, among other measures, includes a significant reduction of the tax deficit and a strict exchange rate depreciation.

Against this background, annual inflation is expected to rise significantly over the coming months.

Considering the aforementioned constantly changing scenarios and the fact that it is difficult to predict to what extent and for how long the different conflicts will continue to be active and how the economic situation in Argentina will evolve, Prosegur continues to constantly monitor macroeconomic and business variables in order to have the best estimate of the potential associated impacts.

c) Functional and presentation currency

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

d) Comparative information

For comparative purposes and for each item in the balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the Annual Accounts, in addition to the figures for financial year 2023, the Annual Accounts show those pertaining to the previous year, those of 2022, approved by the Shareholders General Meeting at 07 June 2023.

3. Income and Expenses

a) Net turnover

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

	Thousands of Euros									
	National		Europe		AOA (*)		LatAm		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Dividend received:										
- Group companies and associates	21,872	51,815	—	—	—	—	533	7	22,405	51,822
Loan interest income	1,795	445	70	26	2,325	539	225	22	4,415	1,032
Provision of services:										
- General services	24,980	27,834	504	1,682	1,991	134	1,526	1,598	29,001	31,248
Total	48,647	80,094	574	1,708	4,316	673	2,284	1,627	55,821	84,102

(*) AOA: includes the USA and Singapore in 2023.

(*) AOA: includes United States, Australia, Singapore and Abu Dhabi in 2022.

The provision of services in 2023 and 2022 relates mainly to services associated with trademark assignment.

Total dividend income in 2023 corresponds to EUR 5,008 thousand from Prosegur Gestión de Activos, S.L.U., EUR 5,000 thousand from Prosegur Global Alarmas ROW, S.L.U. and EUR 533 thousand corresponding to the dividend received from Soluciones en Negocios, SpA.

The dividends in 2022 corresponded mainly to an amount of EUR 33,141 thousand from the Cash business and EUR 6,889 thousand from Prosegur Assets Management, S.L.U.

The Company also received dividend income amounting to EUR 11,864 thousand from investments in Telefónica, S.A. (Note 10) (EUR 11,785 thousand in 2022).

b) Personnel Expenses

Details of the employee benefits expense are as follows:

	Thousands of Euros	
	2023	2022
Wages and salaries	6,467	8,590
Social security obligations	627	766
Other employee benefits expenses	236	3
Total	7,330	9,359

The accrual of the long-term incentive associated with the 21-23 Plan and the Retention Plan for the Executive President, Managing Director and the Management is included under the heading on Wages and salaries (Note 25.9). During 2023, the total impact of the incentives on the income statement was of EUR 985 thousand (EUR 3,109 thousand in 2022). Provision for the 21-23 Plan in an amount of EUR 985 thousand (in 2022 a provision took place under the 21-23 Plan in the amount of EUR 911 thousand and EUR 2,198 thousand for the Retention Plan).

c) External Services

Details of external services are as follows:

	Thousands of Euros	
	2023	2022
Leases and levies	200	202
Independent professional services	5,401	6,974
Transport	1	1
Insurance premiums	42	263
Banking and similar services	570	605
Advertising and supplies	3,842	3,799
Other services	1,347	1,199
Total	11,403	13,043

d) Other profit/loss

During 2023 'Other Profit/Loss' recognised an expense of EUR 3,560 thousand relating to the cancellation of balances between the Company and Esta Service S.A.S., an expense of EUR 3,357 thousand relating to the restatement of contingent payments deriving from the AVOS Chile business purchase in 2021 and income of EUR 1,262 thousand for the reversal of contingencies (Note 14). The remainder of the balance corresponds mainly to revenue from balance adjustments.

In addition, at 31 December 2023 the Company made a provision of Euros 5,281 thousand corresponding to a provision for liabilities due to the equity deficit of Pitco Asia Pacific Ltd at 31 December 2023 (Note 14).

During 2022, in 'Other Profit/Loss' the Company recognised the reversal of the provision made in previous years in an amount of EUR 8,695 thousand regarding the process open with the National Commission on Markets and Competition (CNMC) (Notes 14 and 17) and other contingencies amounting to EUR 2,135 thousand (Note 14). The remainder of the balance corresponds mainly to balance adjustments.

e) Impairment and profit/loss on disposal of financial instruments

In 2023, an impairment loss on shareholdings totalling EUR 69,471 thousand was recognised (EUR 80,064 thousand in 2022) (Note 9).

4. Finance profit/loss

Details of finance income and expense are as follows:

	Thousands of Euros	
	2023	2022
Finance income	3,296	1,922
Third parties	3,296	1,922
Finance expense	(30,165)	(23,575)
From payables to Group companies and associates (Note 19)	(3,234)	(1,204)
From payables to third parties	(26,931)	(22,371)
Exchange differences	498	(1,244)
FINANCE PROFIT/LOSS	(26,371)	(22,897)

•Finance income and expense

Finance expense in relation to Group companies and associates reflect accrued interest on current loans to Group companies (Note 19).

In 2023, debts with third parties correspond to the accrued interest on bank borrowing in the amount of EUR 11,072 thousand, interest from deferred payment debt in an amount of EUR 358 thousand, accrued interest during the year derived from company lawsuits in an amount of EUR 1,340 thousand (Note 14) and interest corresponding to the issue of bonds in an amount of EUR 14,161 thousand (Note 15.a).

In 2022, debts with third parties corresponded to the accrued interest on bank borrowing in the amount of EUR 3,084 thousand, interest from business operations in an amount of EUR 610 thousand, accrued interest during the year derived from company lawsuits in an amount of EUR 666 thousand (Note 14) and interest corresponding to the issue of bonds in an amount of 18,011 thousand (Note 15.a).

The breakdown of the finance income recorded in 2023 “from third parties” corresponds mainly to interest generated from fixed-term deposits in an amount of EUR 1,322 thousand, EUR 1,892 thousand for the return of guarantees.

The breakdown of the finance income recorded in 2022 “from third parties” corresponded mainly to interest generated from fixed-term deposits in an amount of EUR 251 thousand, reversal of interest from Company lawsuits (Note 14) in an amount of EUR 1,190 thousand and EUR 481 thousand for the return of guarantees.

•Exchange differences

The main exchange differences items are the following:

	Currency	Thousands of Euros	
		2023	2022
Debt due to acquisition of Tellex	Argentine Peso	—	32
Debt due to acquisition of Solunegocios	Chilean Pesos	(425)	(509)
Debt due to acquisition of Cipher SA	Brazilian Real	(4)	(29)
Debt due to acquisition of Beloura Investment	Colombian Peso	(17)	184
Revaluation of the loan with Prosegur SIS USA Inc.	US Dollar	1,568	(1,159)
Debt due to acquisition of Marton Group	Brazilian Real	—	(5)
Bank accounts	US Dollar	(477)	—
Other items		(146)	242
Total		499	(1,244)

5. Profit/loss for the year

a) Distribution of profit proposal

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

	Thousands of Euros	
	2023	2022
<u>Basis of allocation</u>		
Profit/loss for the year	(72,549)	(33,181)
Total	(72,549)	(33,181)
<u>Distribution/(Application)</u>		
Loss carryforwards from previous years	(72,549)	(33,181)
Total	(72,549)	(33,181)

The distribution of the result from the 2022 financial year was approved on 7 June 2023.

On 7 June 2023, the Board of Directors approved the distribution of an extraordinary dividend of gross EUR 0.0661 per share on account of voluntary reserves, for a total maximum dividend of EUR 36,026 thousand (considering that the share capital is currently represented by 548,604,222 shares). This dividend was paid to shareholders on 21 December 2023. The maximum amount represented by treasury stock at each payment date, and therefore not distributed, has been transferred to voluntary reserves. The amount for undistributed dividends out of the maximum total agreed for the year 2023 is reflected under 'other changes' in the statement of changes in equity for the amount of EUR 891 thousand.

On 7 December 2022, the Board of Directors approved the distribution of an extraordinary dividend of gross EUR 0.0656 per share on account of voluntary reserves, for a total maximum dividend of EUR 35,988 thousand (considering that the share capital is currently represented by 548,604,222 shares). This dividend was paid to shareholders at 28 December 2022. The maximum amount represented by treasury stock at each payment date, and therefore not distributed, has been transferred to voluntary reserves. The amount for undistributed dividends out of the maximum total agreed for the year 2022 is reflected under 'other changes' in the consolidated statement of changes in equity for the amount of EUR 2,975 thousand.

b) Dividend distribution restrictions

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

6. Intangible assets

Details of intangible assets and movement are as follows:

	Thousands of Euros					Total
	Licences	Trademarks and similar	Computer software	Current computer software	Other intangible assets	
Cost						
Balance at 1 January 2022	3	39,369	25	—	362	39,759
Balance at 31 December 2022	3	39,369	25	—	362	39,759
Additions	—	—	—	14	—	14
Balance at 31 December 2023	3	39,369	25	14	362	39,773
Depreciation and amortisation						
Balance at 1 January 2022	(1)	(18,688)	(25)	—	(362)	(19,076)
Depreciation and amortisation for the year	(1)	(3,937)	—	—	—	(3,938)
Balance at 31 December 2022	(2)	(22,625)	(25)	—	(362)	(23,014)
Depreciation and amortisation for the year	(1)	(3,936)	—	—	—	(3,937)
Balance at 31 December 2023	(3)	(26,561)	(25)	—	(362)	(26,951)
Carrying amount						
At 01 January 2022	2	20,681	—	—	—	20,683
At 31 December 2022	1	16,744	—	—	—	16,745
At 31 December 2023	—	12,808	—	14	—	12,822

a) Description of the main movements

In 2023, the most significant addition corresponds to “Development of the Prosegur Migration Tasks Research Network” for an amount of EUR 14 thousand.

There were no disposals nor additions in intangible fixed assets during the 2022 financial year.

The Company invoices and recognises revenue from the transfer to its subsidiaries of the rights of use of the Prosegur Trademark.

b) Licences

Details of licences at the end of 2023 and 2022 are as follows:

Description and operation	Expiry date	Depreciation period (Note 25.1)	Thousands of Euros			
			Depreciation and amortisation for the year	Cost	Accumulated amortisation	Carrying amount
Licences - Software	2024	4 years	1	3	3	—
		Total	1	3	3	—

Description and operation	Expiry date	Depreciation period (Note 25.1)	Depreciation and amortisation for the year	Thousands of Euros		
				Cost	Accumulated amortisation	Carrying amount
Licences - Software	2023	4 years	1	3	2	1
Total			1	3	2	1

c) Fully amortised intangible assets

The cost intangible assets items which are fully amortised and still in use at 31 December is as follows:

	Thousands of Euros	
	2023	2022
Computer software	25	25
Other intangible assets	362	362
Total	387	387

d) Other information

At 31 December 2023 and 2022 the Company has no significant intangible assets that are subject to restrictions on title or pledged as security for liabilities.

There were no purchases of intangible assets from Group companies and associates in 2023 or 2022.

7. Property, plant and equipment

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

	Thousands of Euros		
	Other install., equipment and furniture	Other property, plant and equipment	Total
Cost			
Balance at 1 January 2022	407	13,407	13,814
Additions	—	16	16
Balance at 31 December 2022	407	13,423	13,830
Additions	—	93	93
Balance at 31 December 2023	407	13,516	13,923
Depreciation and amortisation			
Balance at 1 January 2022	(317)	(3,013)	(3,330)
Depreciation and amortisation for the year	(13)	(668)	(681)
Balance at 31 December 2022	(330)	(3,681)	(4,011)
Depreciation and amortisation for the year	(13)	(673)	(686)
Balance at 31 December 2023	(343)	(4,354)	(4,697)
Carrying amount			
At 01 January 2022	90	10,394	10,484
At 31 December 2022	77	9,742	9,819
At 31 December 2023	64	9,162	9,226

a) Description of the main movements

In 2023, the most significant additions in PPE correspond to additions of data processing equipment such as laptops and screens for EUR 29 thousand and vehicle for EUR 64 thousand.

In 2022, additions in PPE corresponded to data processing equipment such as laptops and screens for EUR 14 thousand and telephony for EUR 2 thousand.

No losses were registered in 2023 and 2022.

b) Fully depreciated property, plant and equipment

The cost of property, plant and equipment items which are fully amortised and still in use at 31 December is as follows:

	Thousands of Euros	
	2023	2022
Other installations, equipment and furniture	275	275
Other property, plant and equipment	220	209
Total	495	484

c) Other information

At 31 December 2023 and 2022 the Company has no property, plant and equipment subject to restrictions on title or pledged as security for liabilities.

There were no purchases of property, plant and equipment from Group companies in 2023 nor in 2022.

d) Assets under operating lease

Lessee

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

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

	Thousands of Euros	
	2023	2022
Lease expenses	200	202
Total	200	202

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

e) Insurance

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

8. Analysis of financial instruments

8.1 Analysis by category

The carrying amount of each category of financial instrument specified in the significant accounting policy on financial instruments, except investments in Group companies, jointly controlled companies and associates (Note 9) and cash and cash equivalents (Note 12), is as follows:

a) Financial assets:

<i>Thousands of Euros</i>	2023			
	Credits and other	Trade and other receivables	Financial Investments	Total
Non-currents				
Assets at fair value with changes in equity (Note 10)	—	—	139,650	139,650
Financial assets at cost (Note 11).	—	—	280	280
	—	—	139,930	139,930
Current				
Financial assets at amortised cost (Note 11)	81,528	14,942	23,490	119,960
	81,528	14,942	23,490	119,960
Total	81,528	14,942	163,420	259,890

Thousands of Euros

	2022			
	Credits and other	Trade and other receivables	Financial Investments	Total
Non-currents				
Assets at fair value with changes in equity (Note 10)	—	—	134,113	134,113
Financial assets at cost (Note 11).	—	—	280	280
	—	—	134,393	134,393
Current				
Financial assets at amortised cost (Note 11)	76,765	14,748	90,764	182,277
	76,765	14,748	90,764	182,277
Total	76,765	14,748	225,157	316,670

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

b) Financial liabilities:

Thousands of Euros

	2023				
	Debentures and other negotiable securities	Bank borrowings	Trade and other payables	Other financial liabilities	Total
Non-currents					
Financial liabilities at amortised cost (Note 15)	494,134	244,520	—	12,340	750,994
	494,134	244,520	—	12,340	750,994
Current					
Financial liabilities at amortised cost (Note 15)	10,517	54,845	8,841	140,959	215,162
	10,517	54,845	8,841	140,959	215,162
Total	504,651	299,365	8,841	153,299	966,156

Thousands of Euros

	2022				
	Debentures and other negotiable securities	Bank borrowings	Trade and other payables	Other financial liabilities	Total
Non-currents					
Financial liabilities at amortised cost (Note 15)	494,134	179,520	—	14,988	688,642
	494,134	179,520	—	14,988	688,642
Current					
Financial liabilities at amortised cost (Note 15)	715,856	39,381	7,119	187,582	949,938
	715,856	39,381	7,119	187,582	949,938
Total	1,209,990	218,901	7,119	202,570	1,638,580

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

8.2. Analysis by maturity

Details of financial instruments with fixed or determinable maturity, by year of maturity, are as follows:

a) Financial assets:

Thousands of Euros

	2023					
	Financial assets					
	2024	2025	2026	2027	Subsequent years	TOTAL
Investments in Group companies and associates:						
- Loans to companies (Notes 11 and 19)	81,180	—	—	—	—	81,180
- Other financial assets (Notes 11 and 19)	23,490	—	—	—	—	23,490
	104,670	—	—	—	—	104,670
Financial Investments:						
- Equity instruments (Note 10)	—	—	—	—	139,650	139,650
- Loans to companies (Note 11)	348	—	—	—	—	348
- Other financial assets (Note 11)	—	—	—	—	280	280
	348	—	—	—	139,930	140,278
Trade and other receivables:						
- Clients from sales and other (Note 11)	264	—	—	—	—	264
- Clients, Group companies and assoc. (Notes 11 and 19)	14,676	—	—	—	—	14,676
- Personnel (Note 11)	2	—	—	—	—	2
	14,942	—	—	—	—	14,942
Total	119,960	—	—	—	139,930	259,890

Thousands of Euros

	2022					
	Financial assets					
	2023	2024	2025	2026	Subsequent years	TOTAL
Investments in Group companies and associates:						
- Loans to companies (Notes 11 and 19)	76,417	—	—	—	—	76,417
- Other financial assets (Notes 11 and 19)	90,764	—	—	—	—	90,764
	167,181	—	—	—	—	167,181
Financial Investments:						
- Equity instruments	—	—	—	—	134,113	134,113
- Loans to companies	348	—	—	—	—	348
- Other financial assets	—	—	—	—	280	280
	348	—	—	—	134,393	134,741
Trade and other receivables:						
- Clients from sales and other	296	—	—	—	—	296
- Clients, Group companies and assoc. (Note 19)	14,450	—	—	—	—	14,450
- Personnel	2	—	—	—	—	2
	14,748	—	—	—	—	14,748
Total	182,277	—	—	—	134,393	316,670

As of 31 December 2023 and 2022, investments in “Equity instruments” mainly includes the fair value of the 39,545,262 shares of Telefónica, S.A. received as consideration for the sale of 50% of the alarm business in Spain. (Note 10)

b) Financial liabilities:

Thousands of Euros

	2023					
	Financial liabilities					
	2024	2025	2026	2027	Subsequent years	TOTAL
Debentures and other negotiable securities (Note 15)	10,517	—	—	—	494,134	504,651
Bank borrowings (Note 15)	54,845	99,700	94,970	—	49,850	299,365
Suppliers, Group companies and associates (Note 15 and 19)	4,728	—	—	—	—	4,728
Sundry creditors (Note 15)	2,917	—	—	—	—	2,917
Personnel (Note 15)	1,196	—	—	—	—	1,196
Payables to Group companies and associates (Note 15 and 19)	136,578	—	—	9,000	—	145,578
Other financial liabilities (Note 15)	4,381	1,984	1,356	—	—	7,721
Total	215,162	101,684	96,326	9,000	543,984	966,156

Thousands of Euros

	2022					
	Financial liabilities					
	2023	2024	2025	2026	Subsequent years	TOTAL
Debentures and other negotiable securities (Note 15)	715,856	—	—	—	494,134	1,209,990
Bank borrowings (Note 15)	39,381	—	99,700	29,970	49,850	218,901
Suppliers, Group companies and associates (Note 15 and 19)	2,149	—	—	—	—	2,149
Sundry creditors (Note 15)	3,839	—	—	—	—	3,839
Personnel (Note 15)	1,131	—	—	—	—	1,131
Payables to Group companies and associates (Note 15 and 19)	183,232	—	—	—	9,000	192,232
Other financial liabilities (Note 15)	4,350	4,565	1,423	—	—	10,338
Total	949,938	4,565	101,123	29,970	552,984	1,638,580

9. Investments in Group Companies, Jointly Controlled Companies and Associates

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

	Thousands of Euros	
	2023	2022
Balance at 1 January	1,596,419	1,584,083
<u>Investments</u>	(30,784)	92,400
Additions	57,242	177,965
Write offs	(88,026)	(85,565)
<u>Impairment</u>	(69,471)	(80,064)
Provision	(69,471)	(80,064)
Balance at 31 December	1,496,164	1,596,419

In 2023 and 2022 the Company has acquired stocks of new Companies and has made a series of capital increases by capitalising loans in companies in which it had a holding.

The addition of loans were made mainly to provide the subsidiaries with sufficient funds for the acquisition of subsidiaries operating in the security market.

Increases and decreases in investments in Group companies, jointly controlled companies and associates in 2023 and 2022 are as follows:

		Thousands of Euros	
		2023	2022
Additions			
Prosegur Avos España, S.L.U.	(1)	8,000	—
Prosegur Gestión de Activos, S.L.U.	(2)	—	14,000
Prosegur Global SIS ROW, S.L.U.	(3)	—	36,000
Prosegur Global Alarmas ROW, S.L.U.	(4)	—	17,000
Prosegur Global Alarmas, S.L.U.	(5)	23,000	10,000
Prosegur Global SIS, S.L.U.	(6)	21,000	43,000
Segtech Ventures SCR, S.A.U.	(7)	4,000	10,450
Prosegur Cash, S.A.	(8)	—	44,710
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	(9)	—	283
Cipher S.A.	(10)	—	2,521
Prosegur Activa Perú, S.A.	(11)	1	1
Prosegur Holding, S.A.	(12)	1,113	—
Prosegur Inversiones, S.A.	(13)	124	—
Prosegur AVOS Portugal Unipessoal, Ltda.	(14)	4	—
Total		57,242	177,965

		Thousands of Euros	
		2023	2022
Write offs			
Write offs			
Cost			
Prosegur Assets Management, S.L.	(15)	—	(85,565)
Prosegur Global Alarmas ROW, S.L.U.	(16)	(24,000)	—
Prosegur Global SIS ROW, S.L.U.	(17)	(54,000)	—
Prosegur Gestión de Activos, S.L.U.	(18)	(10,000)	—
Prosegur Finance, S.L.U.	(19)	(13)	—
Prosegur Global BSI International, S.L.U.	(20)	(13)	—
Total Cost		(88,026)	(85,565)

	Thousands of Euros	
	2023	2022
Profit/loss on the impairment of financial instruments		
Prosegur Global SIS, S.L.U.	—	65,917
Prosegur ODH, S.L.	—	1,003
Prosegur Tecnología Perú, S.A.	—	7,411
Euroforum Escorial, S.A.	1,351	—
Cipher, U.K.	—	5,733
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados, LTDA	283	—
Solu4B Software Company, SpA	1,071	—
Tidian Europe, S.L.	575	—
Prosegur Consumer Finance Perú, SAC	85	—
Prosegur Global SIS, S.L.U.	66,106	—
Total profit/loss on impairment of financial instruments	69,471	80,064

Movements in investments in Group companies, jointly controlled companies and associates in 2023 and 2022 are as follows:

a) Additions

(1) Prosegur Avos España, S.L.U.

- On 26 April 2023, the Company made a monetary contribution to the shareholders' equity of Prosegur Avos España, S.L.U. in a total amount of EUR 8,000 thousand.

(2) Prosegur Gestión de Activos, S.L.U.

- On 3 October 2022, the Company made a monetary contribution to the shareholders' equity of Prosegur Gestión de Activos, S.L.U. in an amount of EUR 14,000 thousand.

(3) Prosegur Global SIS ROW, S.L.U.

- On 3 October 2022, the Company made a monetary contribution to the shareholders' equity of Prosegur Global SIS ROW, S.L.U. in a total amount of EUR 24,000 thousand.
- On 8 March 2022 the Company made a monetary contribution to the shareholders' equity of Prosegur Global SIS ROW, S.L.U. in a total amount of EUR 12,000 thousand.

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

- On 8 March 2022 the Company participated in the sale and purchase of shares in the Spanish company Prosegur Global Alarmas ROW, S.L.U. by capitalising loans totalling EUR 17,000 thousand.

(5) Prosegur Global Alarmas, S.L.U.

- On 26 December 2023 the Company participated in the sale and purchase of shares in the Spanish company Prosegur Global Alarmas S.L.U. by capitalising loans totalling EUR 23,000 thousand.
- On 3 October 2022, the Company made a monetary contribution to the shareholders' equity of Prosegur Global Alarmas, S.L.U. in a total amount of EUR 10,000 thousand.

(6) Prosegur Global SIS, S.L.

- On 3 January 2023, the Company made a monetary contribution to the shareholders' equity of Prosegur Global SIS, S.L.U. in a total amount of EUR 21,000 thousand.
- On 3 October 2022, the Company made a monetary contribution to the shareholders' equity of Prosegur Global SIS, S.L.U. in a total amount of EUR 18,000 thousand.
- On 8 March 2022, the Company made a monetary contribution to the shareholders' equity of Prosegur Global SIS, S.L. in a total amount of EUR 25,000 thousand.

(7) Segtech Ventures SCR, S.A.U.

- On 26 December 2023, the Company made a monetary contribution to the shareholders' equity of Segtech Ventures SCR, S.A.U. in a total amount of EUR 4,000 thousand.
- The Company, as the Sole Shareholder of Prosegur Assets Management, S.L., resolved on its wind up and dissolution on 4 May 2022. As a result of the wind up, 100% of the shares held by Segtech Ventures S.C.R., S.A.U. were transferred to the Company, valued at EUR 10,450 thousand (See section c) Write offs).

(8) Prosegur Cash, S.A.

- The Company, as the Sole Shareholder of Prosegur Assets Management, S.L., resolved on its wind up and dissolution on 4 May 2022. As a result of the wind up, 21.98% of the shares held by Prosegur Cash, S.A. were transferred to the Company, valued at EUR 43,310 thousand (see section c) Write Offs).
- During January 2022, the Company acquired the treasury shares of Prosegur Cash, S.A. for a total amount of EUR 1,400 thousand.

(9) Aeroseg Brasil Desenvolvimento e Operações de Veículos não Tripulados LTDA

- On 25 March 2022, the Company participated in the capital increase of the Brazilian company Aeroseg Brasil Desenvolvimento e Operações de Veículos não Tripulados LTDA by capitalising loan rights for a total EUR 283 thousand.

(10) Cipher, S.A.

- On 31 December 2022, the Company participated in the capital increase of the Spanish company Cipher, S.A. by capitalising loan rights for a total EUR 2,521 thousand.

(11) Prosegur Activa Perú, S.A.

- On 01 December 2023, the Company participated in the capital increase of the Peruvian company Prosegur Activa Perú, S.A. by capitalising loan rights for a total EUR 1 thousand.
- On 31 December 2022, the Company participated in the capital increase of the Peruvian company Prosegur Activa Perú, S.A. by capitalising loan rights for a total EUR 1 thousand.

(12) Prosegur Holding, S.A.

- On 5 December 2023, the Company made a monetary contribution to the shareholders' equity of the Argentinian company, Prosegur Holding, S.A., in a total amount of EUR 1,113 thousand.

(13) Prosegur Inversiones, S.A.

- On 5 December 2023, the Company made a monetary contribution to the shareholders' equity of the Argentinian company Prosegur Inversiones, S.A. in a total amount of EUR 124 thousand.

(14) Prosegur AVOS Portugal Unipessoal Ltda.

- On 9 June 2023, the Company made a monetary contribution to the shareholders' equity of Prosegur AVOS Portugal Unipessoal, Ltda. in a total amount of EUR 4 thousand.

c) Write offs

Decreases in investments in Group companies, jointly controlled companies and associates in 2023 and 2022 were as follows:

(15) Prosegur Assets Management, S.L.

- On 4 May 2022, Prosegur Assets Management, S.L. dissolved and wound up, whose Sole Shareholder was the Company, to which all net assets were therefore assigned, whereby the Company derecognised the shareholding it held prior to wind up in the amount of EUR 52,351.

The carrying amount and tax value of the absorbed assets were as follows:

	Thousands of Euros
	Prosegur Assets Management, S.L.
Assets	
Non-current assets	53,760
Equity instrument (see section a) additions)	53,760
Current assets	9,086
Loans with group companies	5,814
Dividends receivable with group companies	3,206
Cash	66
Total assets	62,846

Prior to winding up, the following Prosegur Assets Management, S.L. transactions took place:

- On 1 February 2022, the Sole Shareholder resolved to return the contribution made on 1 January 2020 for EUR 8,250 thousand through the partial depreciation of the credit right it held with the Company.
- On 1 February 2022, the Sole Shareholder resolved to distribute the share premium in favour of the Company in an amount of EUR 24,964 thousand through the partial depreciation of the credit right it held with the company.

The Company held an investment in Prosegur Assets Management, S.L. prior to winding up in an amount of EUR 52,351 thousand, which represented a shareholding of 100%. As a result of the transaction, reserves were generated in the amount of EUR 10,495 thousand recognised in the State of Total Changes in Equity (Note 13).

(16) Prosegur Global Alarmas ROW, S.L.U.

- On 26 April 2023, the Sole Shareholder resolved to approve the partial repayment of contributions made by it on 1 January 2019, 1 January 2021 and 8 March 2022. The amount of that partial repayment came to EUR 24,000 thousand.

(17) Prosegur Global SIS ROW, S.L.U.

- On 26 April 2023, the Sole Shareholder resolved to approve the partial repayment of contributions made by it on 1 January 2020, 1 January 2021, 8 March 2022 and 27 September 2022. The amount of that partial repayment came to EUR 54,000 thousand.

(18) Prosegur Gestión de Activos, S.L.U.

- On 26 April 2023, the Sole Shareholder resolved to approve the partial repayment of contributions made by it on 1 January 2019, 1 April 2019, 14 February 2020 and 27 September 2022. The amount of that partial repayment came to EUR 6,000 thousand.
- On 24 May 2023, the Sole Shareholder resolved to approve the partial repayment of contributions made by it on 1 January 2019, 1 April 2019, 14 February 2020 and 27 September 2022. The amount of that partial repayment came to EUR 4,000 thousand.

(19) Prosegur Finance, S.L.U.

- On 23 November 2023, Prosegur Finance, S.L.U. dissolved and wound up, whose Sole Shareholder was the Company, to which all net assets were therefore assigned, whereby the Company derecognised the shareholding it held prior to wind up in the amount of EUR 13 thousand. The impact on the income statement was EUR 7 thousand, whose amount is recorded under 'Impairment and profit/loss on disposals of financial instruments, profit/loss for disposals and others'.

(20) Prosegur Global BSI International, S.L.U.

- On 25 October 2023, Prosegur Global BSI International, S.L.U. dissolved and wound up, whose Sole Shareholder was the Company, to which all net assets were therefore assigned, whereby the Company derecognised the shareholding it held prior to wind up in the amount of EUR 13 thousand. The impact on the income statement was EUR 12 thousand, whose amount is recorded under 'Impairment and profit/loss on disposals of financial instruments, profit/loss for disposals and others'.

Shareholding write offs did not generate any profit/loss in 2023 and 2022.

d) Impairment losses and profit/loss on disposal of financial instruments

In 2023, the Company recognised impairment loss adjustments for Euroforum Escorial, S.A. amounting to EUR 1,351 thousand, Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA amounting to EUR 283 thousand, Solu4B Software Company SpA amounting to EUR 1,071 thousand, Tidian Europe S.L. amounting to EUR 575 thousand, Prosegur Consumer Finance Per SAC amounting to EUR 85 thousand and Prosegur Global SIS S.L.U. amounting to EUR 66,106 thousand

In 2022, the Company recognised impairment loss adjustments on Prosegur Global SIS, S.L.U., Prosegur ODH, S.L., Prosegur Tecnología Peru, S.A. and Cipher UK shareholdings, in an amount of EUR 65,917 thousand, EUR 1,003 thousand, EUR 7,411 thousand and EUR 5,733 thousand, respectively.

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

	Thousands of Euros	
	2023	2022
Rosegur Holding Corporation, S.L.	6,650	6,650
Esta Service, SAS	1,740	1,740
Rosegur Cash Services, S.A.	230	230
Prosegur Activa Perú, S.A.	26	26
Prosegur Tecnología Chile, Ltda.	1	1
Prosegur Global SIS, S.L.U.	215,343	149,237
Prosegur ODH, S.L.	1,003	1,003
Prosegur Tecnología Perú, S.A.	7,411	7,411
Cipher, U.K.	5,733	5,733
Euroforum Escorial, S.A.	1,351	—
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados, LTDA	283	—
Solu4B Software Company, SpA	1,071	—
Tidian Europe, S.L.	575	—
Prosegur Consumer Finance Perú, SAC	85	—
Total	241,502	172,031

The Company annually evaluates the existence of indicators of impairment of the stakes in Group companies and associates and estimates the recoverable value at the closing date of those entities for which there are signs of impairment. The impairment indicator was calculated by comparing the net carrying amount of the stake with the equity of the investee and the recoverable value of the entities with an impairment indicator was determined considering its value in use (Note 2 b). Based on the analysis performed, in 2023 the Company recorded an impairment loss adjustment on shareholdings in the associate company Euroforum Escorial, S.A., Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA, Solu4B Software Company SpA, Tidian Europe, S.L., Prosegur Consumer Finance Perú, S.A.C. and Prosegur Global SIS, S.L.U. and in 2022 in Prosegur Global SIS, S.L.U., Prosegur ODH, S.L., Prosegur Tecnología Perú, S.A. and Cipher UK.

e) Investments in Group companies

The information on shares held in Group companies and associates is contained in Appendix I of these Annual Accounts.

10. Financial assets at fair value with changes in equity

a) Financial Assets at Fair Value with changes in Equity

The movements of financial assets at fair value with changes in Equity for 2023 and 2022 are as follows:

	Thousands of Euros	
	Equity instrument	Total
Balance at 1 January 2022	152,304	152,304
Change in fair value	(18,191)	(18,191)
Balance at 31 December 2022	134,113	134,113
Change in fair value	5,536	5,536
Others	1	1
Balance at 31 December 2023	139,650	139,650

On 28 February 2020, the investee company Prosegur Global Alarmas Row, S.L. sold the Telefónica Group 50% of its alarm business in Spain. The transaction was pinned down on a price of EUR 305,345 thousand. The entire price was paid through the delivery of Telefónica Group shares.

On 27 November 2020, Prosegur Global Alarmas Row, S.L. distributed an interim dividend to the Company, charged to the result accumulated in the 2020 financial year, by delivering cash and 39,545,262 Telefónica shares at a value of EUR 3.5460 per share.

At year-end 2023 the number of Telefónica shares stood at 39,545,262 (39,545,262 shares in 2022).

The change in the fair value of Telefónica shares corresponding to the 2022 and 2023 financial year was included in the Company's equity. The fair value of the share was determined by the price quoted in the active market.

Details of financial assets at fair value with changes in Equity for 31 December 2023 and 2022 are as follows:

Name	Thousands of Euros		
	Value Fair	% ownership	Acquisition cost
<u>Equity titles</u>			
Telefónica, S.A.	139,595	0.74 %	140,227
Others	55	—	—
Total	139,650		

Name	Thousands of Euros		
	2022		
	Value Fair	% ownership	Acquisition cost
<i>Equity shares not officially listed</i>			
Telefónica, S.A.	134,058	0.74 %	140,227
Others	55	—	—
Total	134,113		

Prosegur’s maximum exposure to credit risk at the reporting date is the fair value of these assets. All assets are denominated in EUR.

These assets are assessed under a hierarchy comprising several levels, in which these assets belong to Level 1: estimates using quoted prices (unadjusted) in active markets for identical assets or liabilities, which the company may access on the valuation date.

11. Financial assets at cost or at amortised cost

The breakdown of financial assets at cost or at amortised cost at 31 December 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Financial assets at cost - non-current		
- Other financial assets (Note 8)	280	280
	280	280
Financial assets at amortised cost - current		
- Loans to Group companies (Notes 8 and 19)	81,180	76,417
- Clients’ receivables for sales and services (Note 8)	264	296
- Clients, Group companies and associates (Notes 8 and 19)	14,676	14,450
- Other financial assets with Group and associate companies (Notes 8 and 19)	23,490	90,764
- Personnel (Note 8)	2	2
- Loans to companies (Note 8)	348	348
	119,960	182,277
Total	120,240	182,557

There is no concentration of credit risk with respect to trade receivables, given that these are with Group companies and associates (Note 23).

Accounts receivable from clients, due for less than one year, are considered not to have suffered any impairment, except for those clients in special situations of insolvency whose accounts receivable are considered in the client impairment, without taking into account the age of the debt.

The recognition of value corrections due to the impairment of accounts receivable from clients are included in “Losses, impairment and variation of provisions for commercial operations” in the Income Statement.

In the financial years 2023 and 2022, Loans and accounts receivable suffered no impairment.

Loans and receivables are measured at their nominal amount, which does not differ significantly from their fair value, as these items are current and the effect of discounting the cash flows is therefore not significant.

The carrying amounts of loans and receivables are denominated in the following currencies:

	Thousands of Euros	
	2023	2022
Euros	75,277	151,773
US Dollar	44,101	30,257
Australian Dollar	21	37
GBP	47	120
Chilean Pesos	794	370
Total	120,240	182,557

Impaired receivables are usually written off when the Company does not expect to recover any further amount.

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 Company does not hold any collateral to secure receivables.

Under the heading “Other financial assets”, guarantees are recorded as collateral for leases and others.

12. Cash and cash equivalents

Details of cash and cash equivalents are as follows:

	Thousands of Euros	
	2023	2022
Cash in hand and at banks	23,590	150,967
Other cash equivalents	—	495,000
Total	23,590	645,967

The heading “Other cash equivalents” included the balance at 31 December 2022 of the deposits in several bank institutions that mature in under 3 months in an amount of EUR 495,000 thousand and whose interest rate fluctuated between 1.3% and 1.9%.

13. Share capital, share premium and own shares

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

a) Share capital

At 31 December 2023 the share capital of Prosegur Compañía de Seguridad, S.A. was EUR 32,702 thousand (2022: EUR 32,702 thousand) and is represented by 545,026,866 shares (2022: 525,026,866 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).

On 30 September 2020, and concluding on 5 May 2022, the Company's Board of Directors approved the Buyback Programme for a total par value of EUR 214,641.36.

On 22 December 2022, in accordance with the objectives of the Own Share Buyback Program and in application of the agreement to authorise the Board to decrease the capital, submitted to the approval of the General Shareholders Meeting on 7 December 2022, the Company carried out a capital decrease by redemption of own shares in an amount of EUR 3,577,356, ordinary shares with a par value of EUR 0,06 each. The resulting capital after the reduction is EUR 32,701,611.96, represented by 545,026,866 registered shares of a single series.

The capital decrease does not involve the return of contributions to shareholders because the Company itself is the holder of the redeemed shares, and performed this against unrestricted reserves by provisioning a capital redemption reserve in an amount equal to the par value of the redeemed shares, which is only available with the same requirements as those for share decreases, in application of the provisions of section 335 c) of the Spanish Companies Act.

The composition of the voting rights is as follows:

Shareholders	Number of shares	
	2023	2022
Ms Helena Revoredo Delvecchio (1)	326,468,224	325,918,224
Ms Mirta Giesso Cazenave (2)	35,997,487	34,877,487
Others	182,561,155	184,231,155
Total	545,026,866	545,026,866

(1) Through Gubel, S.L. (59.86%) and Prorevosa, S.L.U. (0.041%)

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

At 31 December 2023 and 2022, the members of the Board of Directors, either directly or through companies over which they exercise control, hold a total of 329,534,797 shares (2022: 328,412,425 shares) corresponding to 60.46% of the share capital (2022: 60.26%).

b) Share premium

The share premium amounts to EUR 25,472 thousand, is freely distributable and has not changed in 2023 and 2022.

c) Own shares and equity holdings

Details of movements in own shares are as follows:

	Number of shares	Thousands of Euros
Balance at 1 January 2022	10,938,598	29,439
Purchase of shares	7,968,606	13,231
Capital reduction	(3,577,356)	(8,826)
Other awards	(1,615,341)	(3,648)
Balance at 31 December 2022	13,714,507	30,196
Other awards	(234,273)	(515)
Balance at 31 December 2023	13,480,234	29,681

Purchase of treasury shares

At the Shareholders General Meeting held on 27 June 2011, the shareholders authorised 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 of the Company or Prosegur employees, either directly or as a result of a share option being exercised within remuneration schemes linked to the quoted share price.

No treasury stock was purchased during the 2023 financial year.

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

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

The Board of Directors of Prosegur decided on 5 May 2022 to bring to an end the own share buyback programme approved by the Board of Directors of the Company on 30 September 2020 within the maximum term initially set, which ended on 5 November 2023. Under the Programme, the Company acquired a total of 3,577,356 shares, representing approximately 0.65% of its share capital. In accordance with the purpose of the Programme to reduce the Company's share capital, the Board of Directors meeting in the Ordinary General Meeting of Shareholders held by the Company on 7 December 2022, approved the reduction of share capital through the redemption of the shares acquired for a total of 3,577,356 shares, accounting for approximately 0.65% of its share capital under the Programme.

The Programme was 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 applied 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.

On 21 June 2022, Prosegur acquired a package of 1,737,600 of its own shares from an institutional investor, representing 0.32% of the share capital, at a price of EUR 1.644 per share, with a discount of EUR 0.01 per share.

On 23 June 2022, Prosegur acquired a package of 5,952,583 of its own shares from an institutional investor, representing 1.09% of the share capital, at a price of EUR 1.642 per share, with a discount of EUR 0.01 per share.

Other awards

As a result of the long term incentive plan known as the Retention Plan described in Notes 3.b) and 14, during 2022 a total of 1,412,269 shares were delivered to the Prosegur Group Executive President and Group Management. In addition, the remaining 30,803 shares associated with the Retention Plan will be delivered during 2023.

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

d) Reserves

Details of reserves are as follows:

	Thousands of Euros	
	2023	2022
Legal reserve		
Legal reserve	7,406	7,406
Total	7,406	7,406
Capitalisation reserve	55,000	66,412
Total	55,000	66,412
Other reserves		
Voluntary reserves	819,178	842,978
Reserves due to revised Budget Act of 1983	104	104
Differences on translation of share capital to EUR	61	61
Total	819,343	843,143

d.1) Legal reserve

The legal reserve has been appropriated in compliance with article 274 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, at least, 20% of share capital.

The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that no other reserves are available, the reserve must be replenished with future profits.

At year end, the Company had appropriated to this reserve the minimum amount required by law.

d.2) Other reserves

Voluntary reserves

These reserves are freely distributable. The movement of these reserves is shown below:

	Thousands of Euros	
	2023	2022
Opening balance	842,978	877,612
Own dividend refund (Note 5)	891	2,975
Distribution of result of previous year (Note 5)	—	7,655
Capital reduction (-) (Note 13.a)	—	(8,612)
Extraordinary dividend distribution	(36,026)	(35,988)
Dissolution of Prosegur Assets Management, S.L.U. (Note 9)	—	10,495
Capitalisation Reserve Transfer	—	(11,412)
Other changes	11,335	253
Closing balance	819,178	842,978

The dividends approved by the Shareholders General Meeting and the Board of Directors of the Company are described in Note 5.

Own dividend refund corresponds to the amount undistributed as approved dividends.

Other changes mainly include the reversal of the capitalisation reserve to voluntary reserves in the amount of EUR 11,412 thousand.

Reserves due to revised Budget Act of 1983

This reserve arises from balances revalued in accordance with the aforementioned act applied by the Company and is subject to restrictions on distribution. This reserve amounts to EUR 104 thousand (EUR 104 thousand in 2022).

Differences on translation of share capital to EUR

This non-distributable reserve arises from the translation of share capital from Pesetas to EUR. This reserve amounts to EUR 61 thousand (EUR 61 thousand in 2022).

d.3) Capitalisation reserves

The Shareholders General Meeting held on 4 June 2019, agreed to endow a capitalisation reserve charged to the profits of the year 2018. This reserve amounts to EUR 55,000 thousand at 31 December 2023 (EUR 66,412 thousand in 2022).

e) Other equity instruments

The Retention Plan, which was linked to ensuring adequate talent retention and promoting the digital transformation of the Prosegur Group for 2021-2023, was approved in 2021. The plan envisaged the payment of share incentives. In the vast majority of cases, the measures targeted achievement from 1 January 2021 until 31 December 2023 and length of service from 1 January 2021 until 31 October 2024. While the Plan's approval provided that the first payment of shares would be in October 2022, the second payment in October 2023 and the final payment in October 2024, the General Shareholders Meeting of 7 December 2022 has resolved to deliver all of the shares during the 2022 financial year to each employee with the right to these for having attained the objectives associated with that Plan. The Company recognises a straight-line expense in the income statement during the length of service of the Plan, as well as the corresponding increase in equity, based on the fair value of the shares committed when the Plan was granted. The shares fair value at the time of concession was 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 was EUR 2.029 per share.

The Plan provided for a total delivery of 1,443,072 shares, of which 1,412,269 were delivered at 31 December 2022, and the rest will be delivered in 2023. The delivery of the shares took place at a price of EUR 1.718 per share.

At 31 December 2023, the impact on equity was EUR 500 thousand (EUR 1,548 in 2022).

14. Provisions

Details of provisions and movement are as follows:

	Thousands of Euros			
	Long-term		Short-term	TOTAL
	Accruals with personnel	Other provisions	Accruals with personnel	
Balance at 1 January 2022	1,138	43,893	—	45,031
Reversals	—	(14,544)	—	(14,544)
Transfers	10	—	—	10
Provisions	911	8,549	—	9,460
Balance at 1 January 2023	2,059	37,898	—	39,957
Reversals	—	—	—	—
Transfers	(2,600)	—	2,600	—
Provisions	985	9,134	—	10,119
Balance at 31 December 2023	444	47,032	2,600	50,076

Provisions for accruals with long and short-term personnel include the incentive accrued in the 21-23 Plan and the Long-Term Retention Plan for the Executive President, Managing Director and Management of the Prosegur Group.

At 31 December 2023 and 2022, the provisions for accruals with personnel mainly include the accrued incentive, payable in cash, corresponding to the 2021-2023 Plan (Note 25.9). During the year 2023, provisions to profit/loss were made for an amount of EUR 985 thousand (EUR 911 thousand to provisions against profit/loss in 2022).

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

During 2023, the total impact of the 21-23 Plan on the income statement came to EUR 958 thousand (EUR 911 thousand in 2022).

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. The period of measurement covers for most cases from 1 January 2021 to 31 December 2023. While the Plan's approval provides that the first payment of shares

would be in October 2022, the second payment in October 2023 and the final payment in October 2024, the General Shareholders Meeting of 7 December 2022 resolved to deliver all of the shares during the 2022 financial year to each employee with the right to these for having attained the objectives associated with that Plan.

The Company recognises a straight-line expense in the income statement during the length of service of the Plan, as well as the corresponding increase in equity, based on the fair value of the shares committed when the Plan was granted. The fair value of the shares at the moment of the granting was EUR 2.029 per share.

The Plan provides for a total delivery of 1,443,072 shares, of which 1,412,269 were delivered as of 31 December 2022, and 30,803 were delivered in January 2023. The delivery of the shares took place at a price of EUR 1.718 per share.

The greatest impact of the Plan occurred in 2022, for which the expense in the income statement for the Retention Plan amounted to EUR 2,198 thousand.

In 2023, the provisions allocated for contingencies amounting to EUR 1,262 thousand were reversed, allocating provisions in the amount of EUR 5,115 thousand (EUR 3,775 thousand of principal and EUR 1,340 thousand of interest). In addition, the Company made a provision of EUR 5,281 thousand for liabilities due to the equity deficit of Pitco Asia Pacific Ltd at 31 December 2023.

In 2022, part of the provisions allocated until then for contingencies was reversed in the amount of EUR 5,849 thousand. (EUR 4,659 thousand in principal and EUR 1,190 thousand in interest) subsequently provisioning EUR 8,549 thousand (EUR 7,883 thousand in principal and EUR 666 thousand in interest).

Furthermore in 2022 a provision for EUR 8,695 thousand was reversed as a result of the Spain's National Commission on Markets and Competition (CNMC) court ruling associated with the sanctioning filing lodged by the CNMC (Cash) for alleged anti-competitive practices, and after the National Court upheld the appeal filed by Prosegur against the ruling pronounced on 10 November 2016 by the Competition Chamber of the Board of the CNMC, declaring the aforementioned ruling and fine imposed therein as null and void with full rights (Note 17).

15. Financial liabilities at cost or at amortised cost

The breakdown of financial liabilities at amortised cost is as follows:

	Thousands of Euros	
	2023	2022
Non-current		
- Debentures and other negotiable securities	494,134	494,134
- Bank borrowings	244,520	179,520
- Other financial liabilities	3,340	5,988
- Payables to Group companies (Note 19)	9,000	9,000
Total	750,994	688,642
Current		
- Debentures and other negotiable securities	10,517	715,856
- Bank borrowings	54,845	39,381
- Other financial liabilities	4,381	4,350
- Payables to Group companies and associates (Note 19)	136,578	183,232
- Payables to Group companies and associates (Note 19)	4,728	2,149
- Sundry accounts payable	2,917	3,839
- Other payables	1,196	1,131
Total	215,162	949,938

The exposure of the Company's financial assets and liabilities measured at amortised cost to fluctuations in interest rates and the contractual price review dates are as follows:

	Thousands of Euros	
	2023	2022
Between 6 and 12 months	435,943	402,133
Total	435,943	402,133

a) Debentures and other negotiable securities

On 6 April 2022 an issue of uncovered bonds with a nominal value of EUR 500,000 thousand, maturing on 06 April 2029, was made. The bonds were traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 2.50% payable at the end of each year.

At 31 December 2023, this balance amounts to EUR 494,134 thousand for the long term (EUR 494,134 thousand in 2022) and EUR 10,517 thousand (EUR 9,740 thousand in 2022) for the short term.

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 were traded on the secondary market, on the Irish Stock Exchange. Accruing an annual coupon of 1.00% payable at the end of each year.

At 31 December 2023, the bonds have been cancelled and are being paid at their maturity. At 31 December 2022, the short term balance amounted to EUR 706,116 thousand.

b) Bank borrowings

In 2023 and 2022, the heading "Non-current bank borrowings with credit institutions" includes the formalisation of the following:

- A loan of EUR 30,000 thousand formalised with Kutxabank, S.A. contracted on 31 March 2022, for a period of 4 years and a fixed interest rate.
- A loan of EUR 50,000 thousand formalised with the European Investment Bank (EIB) on 21 May 2022, for a period of 6 years and a fixed interest rate.
- A loan of EUR 100,000 thousand formalised with BBVA, contracted on 30 May 2022, for a period of 3 years and a variable interest rate.

Additionally, on 10 February 2017, the Company contracted a syndicated loan for EUR 200,000 thousand maturing in 2026. At 31 December 2023, the Company has drawn EUR 65,000 thousand (no amount was drawn from the syndicated loan in 2022).

On the other hand, the heading “Current bank borrowings with credit institutions” in 2023 mainly includes:

- A loan of EUR 15,000 thousand formalised with Bankinter, S.A. contracted on 22 May 2023, for a period of 1 year and a fixed interest rate.
- A credit facility of EUR 20,000 thousand formalised with BBVA, from which EUR 7,666 thousand were drawn, contracted on 8 June 2023 for a period of 1 year with a variable interest rate.
- A credit facility of USD 20,000 thousand formalised with Banco Santander, S.A., drawn in its entirety in the amount of EUR 18,100, was contracted on 13 December 2023, for 1 month and with a floating interest rate.
- A credit facility of USD 60,000 thousand formalised with BBVA, from which EUR 13,575 thousand were drawn, contracted on 27 November 2023, for a period of 3 months with a floating interest rate.

The heading “Current bank borrowings with credit institutions” corresponding to 2022 mainly included:

- A loan of USD 10,000 thousand formalised with Banco Santander, S.A., contracted on 14 December 2022, for 1 month and a fixed interest rate.
- A loan of USD 10,000 thousand formalised with Banco Santander, S.A., contracted on 30 December 2022, for 1 month and a fixed interest rate.
- A credit facility of USD 10,000 thousand formalised with BBVA, contracted on 7 December 2022, for a period of 3 months and a variable interest rate.
- A credit facility of USD 10,000 thousand formalised with BBVA, contracted on 28 November 2022, for a period of 3 months and a variable interest rate.

Credit facilities

At 31 December 2023, the Company has credit facilities with national and international banking institutions, just like at 31 December 2022.

The Company has the following unused credit facilities:

	Thousands of Euros	
	2023	2022
Floating interest rate:		
maturing in less than 1 year (credit facilities)	72,800	35,000
maturing in less than one year (loans in USD)	45,000	
maturing in more than 1 year (syndicated loan)	142,500	207,500
Total	260,300	242,500

Credit facilities are subject to various interest rate reviews in 2023 and 2022.

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 2023 and 2022 the balance drawn is EUR 50,000 thousand.

c) Other financial liabilities

Details of financial liabilities by maturity are as follows:

	Thousands of Euros							
	2023							
	2024	2025	2026	2027	2028	subsequent years	Total Non-current	Total
Other financial liabilities	4,381	1,984	1,356	—	—	—	3,340	7,721

	Thousands of Euros							
	2022							
	2023	2024	2025	2026	2027	subsequent years	Total Non-current	Total
Other financial liabilities	4,350	4,565	1,423	—	—	—	5,988	10,338

The most significant other financial liabilities at 31 December 2023 and 2022 are as follows:

- Non-current amounts at 31 December 2023 amount to EUR 3,340 thousand, corresponding to the debt for the procurement of the AVOS Chile business in 2021 (EUR 5,584 thousand in 2022). The 2022 financial year also included a loan received from the Ministry of Industry as part of the Avanza R&D programme amounting to EUR 188 thousand and to the debt for investment in the UK company Cipher Security Limited in an amount of EUR 216 thousand.
- The current amounts at 31 December 2023 come to EUR 4,381 thousand (EUR 4,350 thousand in 2022), and correspond mainly to the short-term debt for the purchase of the AVOS Chile business in the amount of EUR 2,420 thousand (EUR 2,911 thousand in 2022).

d) Other payables

Other payables comprise salaries payable that have been accrued by different Company personnel.

The Company's remuneration policy for personnel includes a variable component determined through specifically designed incentive programmes, which aim to recognise and reward Company employees' contribution to its success by achieving or surpassing set targets and developing the necessary skills for excellence in their duties and responsibilities.

The Incentive Programme is based on the direct link of variable remuneration with the achievement of previously set targets during a specific period of time by the Company Executive Management or the direct superior of the employee.

The liability for this as of 31 December 2023 amounts to EUR 1,145 thousand (EUR 1,119 thousand in 2022) and the amount recognised in the income statement for this item classified under the "Personnel Expenses" heading amounts to EUR 2,109 thousand (EUR 4,077 thousand in 2022) due to the adjustment of the previous year.

"Other debts" includes the accrued incentive, payable in cash, corresponding to the 2021-2023 Plan in an amount of EUR 985 thousand (EUR 911 thousand and EUR 2,198 thousand for the 2022 Retention Plan).

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

Additionally, this item also includes salaries payable and accrued extraordinary salary instalments amounting to EUR 51 thousand (EUR 12 thousand in 2022).

e) Foreign currency

The carrying amount of the Company's financial liabilities is denominated in the following currencies:

	Thousands of Euros	
	2023	2022
Euros	926,755	1,608,897
Argentine Peso	—	7
US Dollars	31,676	19,425
Peruvian Nuevo Sol		32
Colombian Peso	1,720	1,389
Chilean Peso	5,939	8,830
Brazilian Real	66	
Total	966,156	1,638,580

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

The information required by the "Reporting Requirement", third additional provision of Act 15/2010 of 5 July (modified through the Final Provision Two of Act 31/2014, of 3 December) prepared in accordance with the ICAC Resolution of 29 January 2017, on the information to be included in the annual accounts report in relation to the average period of payment to suppliers in commercial operations is detailed below.

Lastly, in keeping with the breakdowns required in section 9 of Act 18/2022, of 28 September, on business creation and growth, the monetary volume and number of invoices paid in a period below the maximum established was EUR 7,536 thousand and 521 invoices, respectively; furthermore, the percentage that these invoices comprise out of the total number of invoices and the monetary total of payments to their suppliers represented 41% of the total number of invoices and 57% of the monetary total.

Information on deferred payments to suppliers by the company is as follows:

	Payments made and outstanding at close of balance sheet	
	2023	2022
	Days	Days
Average payment period to suppliers	56	53
Ratio of transactions paid	53	53
Ratio of transactions pending payment	97	59
	Amount (thousands of EUR)	
Total payments made	13,233	10,884
Total payments pending	821	1,690
Number of invoices paid under 60 days	521	428
Volume (EUR thousand)	7,536	6,543
% of the total number of transactions	57%	60%
% of the total number of invoices	41%	42%

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.

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

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

The maximum legal term of payment applicable to the companies in 2023 and 2022, according to Act 11/2013, of 26 July, is of 30 days (unless the conditions set forth in the Act allowing the maximum payment period to be raised to 60 days are fulfilled).

During 2024, the Company will perform the appropriate actions to decrease its average payment period to suppliers in keeping with current legislation.

16. Taxation

a) Public administration:

Details of balances with public entities are as follows:

	Thousands of Euros			
	2023		2022	
	Non-Current	Current	Non-Current	Current
Assets				
Deferred tax assets	38,953	—	24,189	—
Current tax assets	—	2,859	—	—
Value added tax and similar liabilities	—	1,315	—	739
	38,953	4,174	24,189	739
Liabilities				
Deferred tax liabilities	17,119	—	17,119	—
Withholdings	—	7,557	—	9,360
Social Security	—	80	—	73
	17,119	7,637	17,119	9,433

The Company is the parent of a group that is taxed under the fiscal consolidation regime in Spain. This Tax Consolidation Group, with number 0020/01, comprises the Company as its parent, and the Spanish subsidiaries of the Prosegur Group that meet the requirements set out in Corporate Income Tax legislation governing the special tax consolidation regime.

During 2023, the following entities were excluded from the Tax Consolidation Group: Prosegur USAP International, S.L.U., Prosegur Finance, S.L.U., Prosegur Global BSI International, S.L.U. and Prosegur BSI España, S.L.

During 2022, the following entities joined the Tax Consolidation Group: Prosegur Ciberseguridad España, S.L., Prosegur Global Cyber Security, S.L., Gelt Tech Cashlabs S.L.U. and Cash Centroamerica Dos, S.L. The companies excluded from the Tax Consolidation Group in 2022 were Compliofficer, S.L.U., Work 4 Data LAB, S.L., Prosegur Global CIT, S.L.U., Prosegur Assets Management, S.A., Armor Acquisition, S.A. and Tapia Seguridad, S.L.

Audit and investigation proceedings.

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 1,354 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. At 10 December 2020, the Company filed a contentious-administrative appeal before the National Court, which is pending resolution.

On 10 July 2020 notice of the opening of a general inspection procedure was received for the Company for the 2015-2018 tax periods for Corporate income tax and for the 2016-2018 tax periods for all other tax items.

In relation to Corporate Income Tax, as the parent entity of the Tax Consolidation Group the Company signed acts of disconformity on 11 May 2022. Following an initial phase of arguments, settlement agreements were notified to the Company on 4 October 2022. The amount of the first settlement agreement, relative to transfer pricing, amounted to EUR 6,221 thousand (tax liability of EUR 5,527 thousand, default interest of EUR 694 thousand). The amount of the second settlement

agreement, mainly relative to the deductibility of corporate income tax withholdings at source and the deduction for technological innovation, amounted to EUR 6,450 thousand (tax charge EUR 5,606 thousand, late-payment interest EUR 843 thousand).

Both settlement agreements were the subject of an economic-administrative appeal filed by the Company before the Central Economic Administrative Court and which is still pending.

As regards the other tax concepts, VAT and Income Tax, assessment agreements were signed on 28 January 2022 and 18 April 2022 respectively, with no material adjustments. The signing of the assessment agreements terminate the tax years under audit.

On 11 May 2023, notification was received of the opening of a partial verification and investigation procedure for the companies Prosegur Compañía de Seguridad, S.A., Prosegur Cash, S.A. (as successor to Prosegur Global CIT, S.L.), Prosegur Global SIS, S.L. and Prosegur Global Alarmas, S.L., financial years 2019 to 2021, in relation to the deductibility of withholdings at source for corporate income tax purposes.

On 17 July 2023, Prosegur Compañía de Seguridad, S.A., as the parent company of the consolidated tax group, signed a non-conformity report proposing an adjustment of EUR 9,810 thousand (tax liability EUR 9,167 thousand, late-payment interest of EUR 643 thousand). On 31 July 2023, Prosegur Compañía de Seguridad, S.A. submitted a first written statement of allegations to the minutes. Subsequently, on 18 October 2023, the technical office of the tax administration ordered the reopening of the file and complementary actions, which are still in progress and from which modifications to the previous conclusions could be derived.

Reconciliation of the accounting profit.

A reconciliation of the accounting profit and taxable income is as follows:

	Thousands of Euros	
	2023	2022
Accounting profit/loss before tax	(74,782)	(34,292)
Permanent differences	50,950	25,117
Timing differences:	8,291	(6,937)
- Originating in the current period	11,970	8,435
- Arising in previous years	(3,679)	(15,372)
Taxable base for tax consolidation	(15,541)	(16,112)
Tax rate	25 %	25 %
Resulting tax payable	(3,885)	(4,028)
Deductions:	(371)	(70)
- Double taxation	(318)	(14)
- Contributions made to Foundations	(53)	(56)
Tax payable	(4,256)	(4,098)

The main permanent differences to the accounting profit/loss for the year 2023 corresponds to items that are not a tax deductible expense or taxable revenue, which are mainly: dividends from shareholdings for an amount of EUR 21,284 thousand, positive adjustment for the impairment in shareholdings in Group companies amounting to EUR 69,471 thousand and contributions to foundations for a positive amount of EUR 265 thousand.

The main permanent differences to the accounting profit/loss for the year 2022 corresponded to items that are not a tax deductible expense or taxable revenue, which are mainly: the exemption of dividends received from its subsidiaries in Spain for an amount of EUR 36,765 thousand (Note 19) and dividends from other shareholdings for an amount of EUR 11,188 thousand, positive adjustment for the impairment in shareholdings in Group companies amounting to EUR 80,064 thousand, a

negative adjustment for the reversal of provisions for an amount of EUR 6,759 thousand and contributions to foundations for a positive amount of EUR 168 thousand.

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

I. Positive:

- Provision for personnel expenses, amounting to EUR 3,044 thousand (EUR 2,059 thousand in 2022).
- Adjustments for intangible fixed asset depreciation and amortisation of property, plant and equipment differences in an amount of EUR 2,012 thousand (EUR 1,953 thousand in 2022).
- Other adjustments for an amount of EUR 6,914 thousand, correspond mainly to provision endowments (EUR 4,423 thousand in 2022).

II. Negative:

- There are no negative adjustments in the year or in the previous year.

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

I. Positive:

- Application of EUR 1 thousand, corresponding to the reversal of the negative adjustment of the 70% limitation on the depreciation of fixed assets for the years 2014 and 2015 (EUR 7 thousand in 2022).
- Reversal of the Company provision for lawsuits in an amount of EUR 587 thousand (EUR 8,803 thousand in 2022 (Note 14)).
- Other provisions for EUR 3,091 thousand (EUR 6,562 thousand in 2022).

II. Negative:

- There are no negative adjustments in 2023 and 2022 arising in previous year.

In 2023, the main deductions correspond to international double taxation, referring to taxes paid abroad for sundry services amounting to EUR 318 thousand (EUR 14 thousand in 2022), deduction for donations to non-profit entities for EUR 53 thousand (EUR 56 thousand in 2022).

In 2023 the positive figure of EUR 4,256 thousand receivable by the Company is recorded under deferred Tax Liabilities.

In 2022, the amount receivable by the Company, in the negative amount of EUR 4,098 thousand is recorded under Deferred Tax Assets.

In 2023, deferred tax assets reflect the tax credits for the companies comprising the Consolidated Tax Group in an amount of EUR 4,406 thousand (EUR 9,987 thousand in 2022).

Details at year end of available tax loss carryforwards and deductions recognised by the Group and pending application are as follows:

	Thousands of Euros (Payment)	
	2023	2022
Tax loss carryforwards	(15,112)	(7,767)
Deductions and tax credit rights	(11,822)	(7,006)
	(26,934)	(14,773)

Deductions recognised by the Group are as follows:

	Thousands of Euros	
	2023	2022
International double taxation	(8,977)	(4,873)
Innovation Technology (IT)	(1,302)	(1,305)
Donations to Foundations	(1,514)	(826)
Others	(29)	(2)
	(11,822)	(7,006)

Breakdown of the tax loss carryforwards of the consolidated tax group are as follows:

	Thousands of Euros	
	2023	2022
Breakdown of the tax loss carryforwards of the Consolidated	(60,451)	(31,069)
	(60,451)	(31,069)

Details of the individual Corporate income tax expense for the year are as follows:

	Thousands of Euros	
	2023	2022
Accounting profit/loss before tax	(74,782)	(34,292)
Permanent differences	50,950	25,117
Elimination of own shares transactions	103	825
Taxable base	(23,729)	(8,350)
Tax rate	25 %	25 %
Resulting tax payable	(5,932)	(2,088)
- Double taxation	(318)	(14)
- Contributions made to Foundations	(53)	(56)
Expense (income) tax on profit	(6,303)	(2,158)
- Movements of Corporate Income Tax provision and other Corporate Income Tax adjustments	4,070	1,047
Final expense (income) tax on profit	(2,233)	(1,111)

The individual Corporate income tax expense is as follows:

	Thousands of Euros	
	2023	2022
Elimination of own shares transactions	26	206
Deferred tax, deriving from temporary adjustments to the tax base	(2,073)	1,734
Movements of Corporate Income Tax provision and other Corporate Income Tax adjustments	4,070	1,047
Credits for Negative Tax Bases and deductions	(4,256)	(4,098)
	(2,233)	(1,111)

The item 'Movements of Corporate Income Tax provision and other Corporate Income Tax adjustments' mainly includes provisions with a balancing entry in corporate income tax, differences from the previous year's tax settlement and withholdings paid in other countries for sundry services.

Pursuant to tax legislation in force, the Company's tax loss carryforwards may only be offset up to a maximum of 70% of taxable income prior to offset. Financial and non-financial goodwill may only be amortised up to one twentieth of its amount per year.

In 2023 and 2022, no corporate restructuring operation was carried out under the neutral tax regime.

b. Deferred taxes

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

Gross movement in deferred tax is as follows:

	Thousands of Euros			
	01 January 2023	Recognised in profit / loss	Other adjustments	31 December 2023
Deferred tax assets				
Stock impairment	1,662	—	—	1,662
Provisions	1,702	1,748	79	3,530
Goodwill tax and portfolios	616	(177)	—	439
Credits for Negative Tax Bases	7,767	—	7,346	15,113
Credits for deductions	7,006	—	4,816	11,822
PPE amortisation and depreciation	2,845	502	—	3,347
Others	2,591	—	450	3,041
	24,189	2,073	12,691	38,953

	Thousands of Euros			
	01 January 2022	Recognised in profit / loss	Other adjustments	31 December 2022
Deferred tax assets				
Stock impairment	1,662	—	—	1,662
Provisions	3,579	(2,043)	166	1,702
Goodwill tax and portfolios	794	(178)	—	616
Credits for deductions	5,880	70	1,056	7,006
PPE amortisation and depreciation	2,358	487	—	2,845
Credits for Negative Tax Bases	—	3,578	4,189	7,767
Others	2,140	451	—	2,591
	16,413	2,365	5,411	24,189

	Thousands of Euros			
	01 January 2023	Recognised in profit / loss	Other adjustments	31 December 2023
Deferred tax liabilities				
Goodwill for tax purposes	(13)	—	—	(13)
Tax consolidation eliminations and others	(17,106)	—	—	(17,106)
	(17,119)	—	—	(17,119)

	Thousands of Euros			
	01 January 2022	Recognised in profit / loss	Other adjustments	31 December 2022
Deferred tax liabilities				
Goodwill for tax purposes	(13)	—	—	(13)
Tax consolidation eliminations and others	(21,214)	—	4,108	(17,106)
	(21,227)	—	4,108	(17,119)

17. Contingencies

a) Contingent liabilities

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

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

	Thousands of Euros	
	2023	2022
Commercial guarantees	13,456	144
Financial guarantees	13,323	25,956
Total	26,779	26,100

The financial guarantees for financial year 2022 correspond mainly to a guarantee established for an inspection by the Tax Agency.

b) Contingent assets

At 31 December 2023 and 2022 there are no contingent assets.

c) National Commission on Markets and Competition

CNMC sanctioning file

On 10 March 2022, the CNMC announced an investigation into several security companies for the possible manipulation of public tenders related to security and surveillance services. The CNMC conducted on-site inspections on the premises of Prosegur Soluciones Integrales de Seguridad España, S.L. between 1-3 March 2022. Following the corresponding investigation process, on 25 October 2023, the CNMC issued a "Decision not to initiate and to close the proceedings", as it did not consider that there was any evidence of infringement. This matter is therefore resolved without risk to the Company.

18. Commitments

a) Sale and purchase commitments for property, plant and equipment and intangible assets

At the close of 2023 and 2022, the Company has no purchase and sale commitments in fixed assets, which are not included in the balance sheet.

b) Operating lease commitments

Future minimum payments under non-cancellable operating leases are as follows:

	Thousands of Euros			
	2023		2022	
	Buildings	Vehicles	Buildings	Vehicles
Less than 1 year	120	15	136	32
1 to 5 years	478	—	556	15
Total	598	15	692	47

Pursuant to the provisions of the sixth and ninth clauses of the leases for the properties at Calle Pajaritos, 24 (Madrid) and Calle Santa Sabina, 8 (Madrid), respectively, between Proactinmo, S.L.U. and the Company, these are subrogated to Prosegur Gestión de Activos, S.L. as the lessor of both premises, from 1 January 2017 (Note 19.b)

The lease commitments correspond to the impact that Prosegur Gestión de Activos, S.L. makes on the Company.

19. Other related party transactions

Prosegur is controlled by Gubel, S.L., which was incorporated in Madrid and holds 59.86% of the Company's shares. The remaining 40.14% of the shares belong to various shareholders, including main shareholder AS Inversiones S.L. with 6.24% (Note 13).

a) Group companies, jointly controlled companies and associates

The Company's financial assets and financial liabilities with Group companies and associates, excluding equity instruments (Note 9), are as follows:

Thousands of Euros	2023				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 11)	Debtors (Note 11)	Other financial assets (Note 11)	Debts (Note 15)	Suppliers (Note 15)
Group companies and associates in Spain					
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	6,516	2,519	1,866	2,825	786
Prosegur Gestión de Activos, S.L.U.	26	127	1,259	3,043	33
Prosegur Global Alarmas, S.L.U.	42	291	893	4,220	—
Compañía Ridur, S.A.	—	—	—	1,192	—
Formación, Selección y Consultoría, S.A.	—	—	172	2,041	61
Prosegur Gestión de Activos International, S.L.U.	—	—	5	799	—
Prosegur International SIS, S.L.U.	10,319	115	19	29	—
Prosegur USAP International, S.L.U.	—	—	—	—	—
Prosegur International Alarmas, S.L.U.	1,329	226	27	63	—
Prosegur Soluciones, S.A.U.	—	2	—	—	—
Prosegur Cash International, S.A.U.	—	—	99	110	—
Prosegur Ciberseguridad, S.L.	3,005	120	192	728	1
Prosegur Global SIS, S.L.U.	1	95	—	4,020	5
Prosegur Servicios de Efectivo España, S.L.U.	—	117	3,419	4,931	—
Movistar Prosegur Alarmas, S.A.	—	1	10	10	7
Prosegur Cash, S.A.	—	—	4,462	28,517	971
Prosegur Smart Cash Solutions, S.L.U.	—	—	437	371	—
Prosegur AVOS España, S.L.U.	2,759	221	470	699	78
Juncadella Prosegur Internacional, S.A.	—	—	4,659	3,759	—
Prosegur International CIT 1, S.L.	—	—	4	8	—
Prosegur International CIT 2, S.L.U.	—	—	8	19	—
Prosegur Global Alarmas ROW, S.L.U.	—	—	761	23,420	661
Prosegur Global CIT ROW, S.L.U.	—	—	176	590	—
Prosegur Global SIS ROW, S.L.U.	—	—	109	27,776	645
ESC Servicios Generales, S.L.U.	—	—	624	3,810	231
Contesta Teleservicios, S.A.U.	235	28	242	709	11
Integrum 2008 S.L.U.	—	—	87	755	28
Bloggers Brokers, S.L.	—	42	211	446	42
Contesta Servicios Auxiliares, S.L.	—	—	1,429	2,648	46
Prosegur Colombia 1, S.L.U.	—	—	1	3	—
MiRubi Internet, S.L.U.	—	—	62	43	—
Prosegur Global Cyber Security, S.L.U.	5,578	97	94	190	—
Segtech Ventures SCR, S.A.U.	4,855	299	64	137	—
Prosegur Servicios de Pago EP, S.L.U.	—	—	26	64	—
Risk Management Solutions, S.L.U.	577	30	289	227	—
Compañía Colombiana de Seguridad Transbank Ltda (Ex-G4S Cash Solutions Colombia Ltda.)	—	—	—	2	—

CASH Centroamerica Dos, S.L.	—	—	2	16	—
Prosegur Alpha3 Cashlab	—	—	40	88	—
Gelt Tech Cashlabs, S.L.	—	—	8	30	—
Prosegur Finance, S.A.	—	—	—	1	—
Prosegur ODH, S.L.	497	26	11	27	—
CASH Centroamerica UNO, S.L.	—	—	—	24	—
Gelt Cash Transfer, S.L.	—	—	36	118	—
Netijam Technologies, S.L.	—	—	385	2,901	122
Prosegur Global BSI International, S.L.U.	—	—	2	—	—
Prosegur Custodia de Activos Digitales, S.L.	—	—	—	98	—
UTES	—	—	5	—	—
Total Spain	35,739	4,356	22,665	121,507	3,728

Thousands of Euros

	2023				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 11)	Debtors (Note 11)	Other financial assets (Note 11)	Debts (Note 15)	Suppliers (Note 15)
Subsidiaries abroad					
Prosegur Group in Abu Dhabi	810	—	21	2	—
Prosegur Group in Argentina	—	4,488	82	4,905	315
Prosegur Group in Australia	—	—	—	—	—
Prosegur Group in Brazil	—	83	327	—	25
Prosegur Group in Chile	—	489	24	117	399
Prosegur Group in France	—	—	5	10	—
Prosegur Group in Colombia	506	115	189	—	156
Prosegur Group in the USA	38,390	4,146	11	2	—
Prosegur Group in Germany	—	224	—	—	—
Prosegur Group in India	—	29	—	94	—
Prosegur Group in Luxembourg	—	—	—	6,214	—
Prosegur Group in Mexico	4,372	3	8	141	75
Prosegur Group in Peru	—	111	39	41	16
Prosegur Group in Portugal	—	259	—	60	—
Prosegur Group in the United Kingdom	1,363	—	61	—	—
Prosegur Group in Paraguay	—	3	7	—	6
Prosegur Group in Singapore	—	350	27	3,485	—
Prosegur Group in Uruguay	—	20	24	—	8
Total Foreign	45,441	10,320	825	15,071	1,000
Total	81,180	14,676	23,490	136,578	4,728

Thousands of Euros	2022				
	Financial assets			Financial liabilities	
	Current			Current	
	Credits (Note 11)	Debtors (Note 11)	Other financial assets (Note 11)	Debts (Note 15)	Suppliers (Note 15)
Group companies and associates in Spain					
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	—	4,359	5,025	(40,860)	(396)
Prosegur Gestión de Activos, S.L.U.	—	74	4,062	(5,329)	(21)
Prosegur Global Alarmas, S.L.U.	85	46	1,588	(673)	—
Compañía Ridur, S.A.	—	—	—	(1,197)	—
Formación, Selección y Consultoría, S.A.	—	—	140	(1,248)	(8)
Prosegur Gestión de Activos International, S.L.U.	—	—	8	(333)	—
Prosegur International SIS, S.L.U.	658	41	—	(28)	—
Prosegur USAP International, S.L.U.	18	—	—	(1)	—
Prosegur International Alarmas, S.L.U.	5,723	18	3	(6)	—
Prosegur Soluciones, S.A.U.	—	—	28	—	—
Prosegur Cash International, S.A.U.	—	—	121	—	—
Prosegur Ciberseguridad, S.L.	2,996	23	—	(194)	—
Prosegur Assets Management, S.L.U.	—	—	4	—	—
Prosegur Global SIS, S.L.U.	15,262	11	1,019	(1,222)	—
Prosegur Servicios de Efectivo España, S.L.U.	—	67	3,316	(750)	(12)
Movistar Prosegur Alarmas, S.A.	—	—	—	—	(1)
Prosegur Cash, S.A.	—	647	48,761	(35,964)	—
Prosegur Smart Cash Solutions, S.L.U.	—	—	523	(306)	—
Prosegur AVOS España, S.L.U.	9,957	25	584	(289)	(160)
Juncadella Prosegur Internacional, S.A.	—	—	1,021	—	—
Prosegur International CIT 1, S.L.	—	—	—	(7)	—
Prosegur International CIT 2, S.L.U.	—	—	1	(4)	—
Prosegur Global Alarmas ROW, S.L.U.	—	—	15,573	(51,339)	—
Prosegur Global CIT ROW, S.L.U.	—	2	—	(505)	—
Prosegur Global SIS ROW, S.L.U.	—	122	—	(16,906)	—
ESC Servicios Generales, S.L.U.	—	—	826	(3,951)	(25)
Integrum 2008 S.L.U.	—	—	53	(727)	(7)
Contesta Teleservicios, S.A.U.	336	9	116	(419)	—
Bloggers Brokers, S.L.	—	—	66	(1,015)	—
Contesta Servicios Auxiliares, S.L.	286	—	826	(259)	(299)
Prosegur Colombia 1, S.L.U.	—	—	5	(13)	—
Prosegur Colombia 2, S.L.U.	—	—	5	(13)	—
Prosegur Global Cyber Security, S.L.U.	529	—	—	(37)	—
Segtech Ventures SCR, S.A.U.	6,146	17	72	(21)	—
Prosegur Servicios de Pago EP, S.L.U.	—	—	69	(109)	—
Risk Management Solutions, S.L.U.	761	—	471	(376)	—
Compliofficer, S.L.U.	—	—	—	—	(1)
CASH Centroamerica Dos, S.L.	—	—	—	(89)	—
Prosegur Alpha3 Cashlab	—	—	71	(246)	—
Gelt Tech Cashlabs, S.L.	—	—	—	(29)	—
Prosegur Finance, S.A.	—	—	—	(10)	—
Prosegur ODH, S.L.	656	5	18	(121)	—
CASH Centroamerica UNO, S.L.	—	—	2	(133)	—
CASH Centroamerica Tres, S.L.	—	—	1	(8)	—
Gelt Cash Transfer, S.L.	—	—	31	(126)	—
Netijam Technologies, S.L.	—	—	1,678	(3,126)	(21)
Prosegur Global BSI International, S.L.U.	—	—	1	(1)	—

Tidian Europe, S.L.	—	—	—	(8)	—
Prosegur Custodia de Activos Digitales, S.L.	—	—	56	(32)	—
Prosegur BSI España, S.L.	3	—	1	(11)	—
MiRubi Internet, S.L.	—	—	—	(43)	—
UTES	—	—	8	—	—
Total Spain	43,416	5,466	86,203	(168,084)	(951)

Thousands of Euros					
2022					
Financial assets			Financial liabilities		
Current			Current		
Credits (Note 11)	Debtors (Note 11)	Other financial assets (Note 11)	Debts (Note 15)	Suppliers (Note 15)	
Subsidiaries abroad					
Prosegur Group in Abu Dhabi	776	—	—	—	—
Prosegur Group in Argentina	—	4,228	82	(10,577)	(102)
Prosegur Group in Australia	—	18	—	—	—
Prosegur Group in Brazil	—	—	327	—	(90)
Prosegur Group in Chile	—	838	24	(117)	(400)
Prosegur Group in France	—	—	3,560	—	—
Prosegur Group in Colombia	502	60	333	(143)	(328)
Prosegur Group in the USA	30,216	280	11	(2)	—
Prosegur Group in Germany	—	150	—	—	—
Prosegur Group in India	—	92	—	(94)	—
Prosegur Group in Luxembourg	—	—	—	(4,033)	—
Prosegur Group in Mexico	—	3	8	(141)	(75)
Prosegur Group in Peru	—	109	39	(32)	(21)
Prosegur Group in Portugal	—	2,832	131	(9)	—
Prosegur Group in the United Kingdom	1,507	—	—	—	—
Prosegur Group in Paraguay	—	33	7	—	(2)
Prosegur Group in Singapore	—	134	27	—	—
Prosegur Group in Uruguay	—	207	12	—	(180)
Total Foreign	33,001	8,984	4,561	(15,148)	(1,198)
Total	76,417	14,450	90,764	(183,232)	(2,149)

Thousands of Euros	
2023	
Financial assets	Financial liabilities
Non-current	Non-current
Prosegur Group in Portugal	9,000
Total Foreign	9,000
Total	9,000

	2022	
	Financial assets	Financial liabilities
	Non-current	Non-current
Thousands of Euros		
Subsidiaries abroad		
Prosegur Group in Portugal	—	9,000
Total Foreign	—	9,000
Total	—	9,000

Financial assets - the current loans correspond, on the one hand, to short-term loans delivered to Group companies and associates within the framework of the centralised treasury management. These are denominated in EUR, accruing annual interest of 4.25% in Spain (0.75% in 2022). On the other hand, we find short-term loans granted mainly to subsidiaries that accrue an annual interest rate of 4.75% in Abu Dhabi (3.75% in 2022), 6.00% in the US, Spain at an interest rate of 4.25% (0.5% in 2022) and 14.75% in Argentina in 2022. Accrued interest amounted to EUR 636 thousand in 2023 (EUR 657 thousand in 2022).

Financial liabilities - the debts correspond, on the one hand, to short-term loans received from Group companies and associates within the framework of the centralised treasury management. They are denominated mainly in euros, accruing annual interest of 4.25% in Spain (0.75% in 2022) and 4.00% in Portugal (0.75% in 2022). We also found short-term loans granted to the Company mainly by subsidiaries in Luxembourg, denominated in EUR and accruing annual interest of 4.25% (0.75% in 2022). Accrued interest amounted to EUR 1,033 thousand in 2023 (EUR 813 thousand in 2022).

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

The current accounts with Group companies (other financial assets), include payments and collections of balances payable to/receivable from each consolidated tax group company, as follows:

	Thousands of Euros					
	2023			2022		
	Other payments/receipts	Corporate Income Tax	Receivable/(payable)	Other payments/receipts	Corporate Income Tax	Receivable/(payable)
Prosegur Global CIT ROW, S.L.U.	—	(414)	(414)	—	(505)	(505)
JUNCADELLA Prosegur INT., S.A.	—	900	900	—	1,021	1,021
Prosegur Gestión de Activos, S.L.U.	3	(1,229)	(1,226)	295	347	643
Prosegur Servicios de Efectivo España,	—	(1,512)	(1,512)	(750)	3,316	2,566
Prosegur International SIS, S.L.U.	—	(10)	(10)	—	(28)	(28)
Prosegur Soluciones, S.A. (*)	—	—	—	28	—	28
Prosegur International Alarmas, S.L.U.	—	(36)	(36)	—	(2)	(2)
Prosegur Global Alarmas ROW, S.L.	—	262	262	—	153	153
Formación, Selección y Consultoría	—	36	36	—	141	141
Prosegur Global SIS, S.L.U.	—	(761)	(761)	313	(516)	(203)
Prosegur SIS España, S.L.U.	(6)	(950)	(956)	98	2,234	2,332
ESC Servicios Generales, S.L.U.	—	122	122	—	55	55
Prosegur Gestión Activos Int., S.L.U.	—	5	5	—	1	1
Transportadora de Caudales	37	—	37	37	—	37
Prosegur Smart Cash Solutions, S.L.U.	—	66	66	—	218	218
Prosegur International CIT 1, S.L.U.	—	(5)	(5)	—	(7)	(7)

Prosegur International CIT 2, S.L.U.	—	(11)	(11)	—	(3)	(3)
Prosegur Global SIS ROW, S.L.U.	—	5	5	—	(180)	(180)
Prosegur Global Alarmas, S.L.U.	—	295	295	126	790	915
Compañía Ridur, S.A.	—	(10)	(10)	—	(4)	(4)
Prosegur Ciberseguridad, S.L.	(219)	(318)	(537)	—	(194)	(194)
Prosegur Assets Management, S.L.U.	—	—	—	—	4	4
Prosegur Cash, S.A.	—	(24,055)	(24,055)	10	(19,024)	(19,013)
Prosegur Cash International, S.A.U.	—	(10)	(10)	—	121	121
Xiden SACI	27	—	27	27	—	27
Prosegur Holding, S.A.	8	—	8	6	—	6
Prosegur Inversiones, S.A.	(1)	—	(1)	(1)	—	(1)
Prosegur Argentina, S.A.	2	—	2	2	—	2
Prosegur Seguridad, S.A.	—	—	—	(2)	—	(2)
Gelt Cash Transfer, S.L.U.	—	(82)	(82)	—	(94)	(94)
Segurpro Vigilancia Patrimonial S.A.	5	—	5	5	—	5
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	322	—	322	322	—	322
Proseguridad, S.A.	(1)	—	(1)	(1)	—	(1)
Prosegur Cajeros, S.A.	(2)	—	(2)	(2)	—	(2)
Prosegur Activa Peru	—	—	—	9	—	9
Segtech Ventures, S.A.U.	—	(73)	(73)	45	6	51
SingPai India Private	(94)	—	(94)	(94)	—	(94)
Occupational Skills building	(1)	—	(1)	(1)	—	(1)
Servicios de Seguridad	(114)	—	(114)	(114)	—	(114)
Empresa de Transportes Cia de Seguridad Chile	15	—	15	15	—	15
Prosegur Chile	7	—	7	7	—	7
Esta Service SAS	5	—	5	3,560	—	3,560
Prosegur Seguridad Privada	6	—	6	6	—	6
Prosegur Consultoria	(141)	—	(141)	(141)	—	(141)
Prosegur Custodias	2	—	2	2	—	2
Movistar Prosegur Alarmas, S.A. (**)	10	—	10	—	(8)	(8)
Integrum 2008	—	—	—	—	25	25
Bloggers Brokers	—	19	19	—	66	66
Contesta TeleServicios	—	(468)	(468)	—	(303)	(303)
Prosegur Global Cyber Security, S.L.U.	—	(95)	(95)	—	(37)	(37)
Contesta Servicios Auxiliares	—	118	118	—	568	568
Prosegur AVOS	—	(229)	(229)	—	295	295
Prosegur Colombia 2	—	(2)	(2)	—	(9)	(9)
Prosegur Colombia 1, S.L.U.	—	(2)	(2)	—	(9)	(9)
Prosegur Servicios de Pago	—	(38)	(38)	—	(40)	(40)
Risk Management Solutions, S.L.U.	—	62	62	(164)	259	95
Prosegur ODH, S.L.	—	(17)	(17)	—	(103)	(103)
Prosegur Alpha3 Cashlab	—	(48)	(48)	—	(175)	(175)
Prosegur Finance, S.A.	—	(1)	(1)	—	—	—
CASH Centroamerica Uno, S.L.	—	(24)	(24)	—	(132)	(132)
CASH Centroamerica Tres, S.L.	—	—	—	—	(7)	(7)
Netijam Technologies, S.L.	—	87	87	—	1,072	1,072
Prosegur Global BSI Int	—	2	2	—	—	—
Prosegur Custodia de Activos Digitales, S.L.	—	(97)	(97)	—	24	24
MiRubi Internet S.L.U	—	19	19	—	(43)	(43)
Compañía Transportadora de Valores Prosegur de Colombia, S.A.	129	—	129	129	—	129
Prosegur Vigilancia y Seguridad Privada Ltda	40	—	40	40	—	40
Prosegur Tecnología SAS	2	—	2	2	—	2

Servimax Servicios Generales. SAS	2	—	2	2	—	2
Prosegur Sistemas Electronicos SAS	—	—	—	1	—	1
Prosegur Seguridad Electronica SAS	15	—	15	15	—	15
CASH Centroamerica Dos, S.L.	—	(15)	(15)	—	(89)	(89)
Prosegur Alarmes Dissuasão Portugal Unipessoal, Ltda.	—	—	—	131	—	131
Gelt Tech Cashlabs, S.L.	—	(24)	(24)	—	(29)	(29)
Others	137	—	137	105	—	105
Total	195	(28,538)	(28,343)	4,069	(10,825)	(6,756)

Transactions between the Company, the Group companies and associates are as follows:

	Thousands of Euros				
	2023				
	Income			Expense	
Services provided and other income	Interest (Note 3)	Dividends (Note 3)	Services rendered	Interest (Note 4)	
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	2,085	—	—	(297)	(731)
Prosegur Gestión de Activos, S.L.U.	(77)	122	5,008	(328)	—
Prosegur Global Alarmas, S.L.U.	—	333	—	—	—
Compañía Ridur, S.A.	—	—	—	—	(3)
Formación, Selección y Consultoría, S.A.	—	—	—	—	(67)
Prosegur Gestión de Activos International, S.L.U.	—	138	—	—	(2)
Prosegur International Alarmas, S.L.U.	—	246	—	—	—
Prosegur Ciberseguridad, S.L.	—	129	—	—	—
Prosegur Global SIS, S.L.U.	(65)	81	—	(65)	—
Prosegur Servicios de Efectivo España, S.L.U.	574	—	—	(107)	—
Prosegur Cash, S.A.	21,510	—	—	—	—
Prosegur Avos España, S.L.U.	(64)	222	—	(7)	—
Prosegur Global Alarmas ROW, S.L.U.	—	—	5,000	—	(712)
Prosegur Global SIS ROW, S.L.U.	—	—	—	—	(731)
ESC Servicios Generales, S.L.U.	263	—	—	(2)	(248)
Contesta Teleservicios, S.A.U.	—	30	—	(134)	—
Integrum 2008, S.L.U.	—	—	—	—	(30)
Bloggers Brokers, S.L.	34	—	—	—	(45)
Contesta Servicios Auxiliares, S.L.	—	—	—	—	539
Prosegur Global Cyber Security, S.L.U.	—	113	—	—	—
Segtech Ventures, S.A.	—	323	—	(3)	—
Risk Management Solutions, S.L.U.	—	31	—	(4)	—
Prosegur Global CIT ROW, S.L.U.	—	—	—	(8)	—
Work 4 Data Lab, S.L.	—	—	—	—	—
Prosegur ODH, S.L.	—	27	—	—	—
Netijam Technologies, S.L.	—	—	—	—	(132)
Telefónica, S.A.	—	—	11,864	—	—
Prosegur Group in India	—	—	—	(89)	—
Prosegur Group in Mexico	244	189	—	—	—
Prosegur Group in Argentina	1,711	—	—	(359)	(432)
Prosegur Group in the United Kingdom	—	70	—	—	—
Prosegur Group in Brazil	(329)	—	—	(412)	—
Prosegur Group in Peru	(132)	—	—	(226)	—
Prosegur Group in Chile	2	—	533	(40)	—
Prosegur Group in Luxembourg	—	—	—	—	(181)
Prosegur Group in Portugal	430	—	—	(42)	(360)
Prosegur Group in Colombia	(47)	36	—	(161)	—
Prosegur Group in Uruguay	89	—	—	(22)	—
Prosegur Group in Paraguay	(11)	—	—	(7)	—
Prosegur Group in Singapore	217	—	—	—	(99)
Prosegur Group in Germany	74	—	—	(194)	—
Prosegur Group in the USA	1,775	2,325	—	—	—
Total	28,283	4,415	22,405	(2,505)	(3,234)

	Thousands of Euros				
	2022				
	Income			Expense	
Services provided and other income	Interest (Note 3)	Dividends (Note 3)	Services rendered	Interest (Note 4)	
Prosegur Soluciones Integrales de Seguridad España, S.L.U.	2,853	4	—	(267)	(354)
Prosegur Gestión de Activos, S.L.U.	(68)	67	—	(562)	—
Prosegur Global Alarmas, S.L.U.	—	45	—	—	—
Compañía Ridur, S.A.	—	—	—	—	(9)
Formación, Selección y Consultoría, S.A.	—	—	—	—	(8)
Prosegur Gestión de Activos Internacional, S.L.U.	2	35	—	—	(2)
Prosegur International Alarmas, S.L.U.	—	21	—	—	—
Prosegur Soluciones, S.A.U.	—	—	—	(6)	—
Prosegur Ciberseguridad, S.L.	8	23	—	—	—
Prosegur Assets Management, S.L.U.	—	—	6,889	(2)	(84)
Prosegur Global SIS, S.L.U.	(75)	68	—	—	—
Prosegur Servicios de Efectivo España, S.L.U.	116	—	—	(833)	—
Prosegur Cash, S.A.	22,496	—	33,142	(3)	—
Prosegur Avos España, S.L.U.	(117)	27	—	—	—
Prosegur Global Alarmas ROW, S.L.U.	—	—	—	—	(39)
Prosegur Global SIS ROW, S.L.U.	—	107	—	—	—
ESC Servicios Generales, S.L.U.	—	—	—	(2)	(26)
Contesta Teleservicios, S.A.U.	—	9	—	(109)	—
Integrum 2008 S.L.U.	—	—	—	—	(4)
Bloggers Brokers, S.L.	—	—	—	—	(4)
Contesta Servicios Auxiliares, S.L.	—	—	—	—	(594)
Prosegur Global Cyber Security, S.L.U.	—	5	—	—	1
Segtech Ventures, S.A.	—	21	—	(14)	1
Risk Management Solutions, S.L.U.	—	8	—	(3)	1
Prosegur Global CIT ROW, S.L.U.	—	—	—	(1)	—
Work 4 Data Lab, S.L.	—	—	—	—	1
Prosegur ODH, S.L.	—	5	—	—	—
Netijam Technologies, S.L.	—	—	—	—	(17)
Tapia Seguridad, S.L.	—	—	—	—	—
Prosegur Foundation	—	—	—	(1)	—
Telefónica, S.A.	2,640	—	11,784	(8)	—
Prosegur Group in Abu Dhabi	—	23	—	—	—
Prosegur Group in Mexico	—	3	—	—	—
Prosegur Group in Argentina	1,889	—	7	—	(14)
Prosegur Group in the United Kingdom	—	26	—	—	—
Prosegur Group in Brazil	(306)	—	—	(78)	—
Prosegur Group in Peru	(86)	—	—	(102)	—
Prosegur Group in Chile	(10)	—	—	—	—
Prosegur Group in Luxembourg	—	—	—	—	(37)
Prosegur Group in Portugal	1,682	—	—	—	(16)
Prosegur Group in Colombia	(95)	19	—	—	—
Prosegur Group in Uruguay	173	—	—	—	—
Prosegur Group in Paraguay	13	—	—	—	—
Prosegur Group in Singapore	134	—	—	—	—
Prosegur Group in Germany	—	—	—	(150)	—
Prosegur Group in the USA	—	516	—	—	—
Total	31,248	1,032	51,822	(2,141)	(1,204)

Within the services provided and other income, the most significant are EUR 28,914 thousand (EUR 29,662 thousand in 2022) invoiced for trademark assignment. In this sense, Prosegur Compañía de Seguridad, S.A., owner of the “Prosegur” brand, concedes its brand to the rest of the Group companies and invoices them based on the utility that it reports to the different lessee entities. The Company policy follows the OECD Guidelines on Transfer Pricing.

Interest income and borrowing costs reflect the amounts accrued on the aforementioned current loans extended to and by Group companies and associates.

b) Other related parties

Procurement of goods and services

During the year, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) invoiced no service to Prosegur Compañía de Seguridad, S.A.

20. Remuneration of the Board of Directors and Senior Management Personnel

a) 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	
	2023	2022
Fixed remuneration	1,963	1,936
Variable remuneration	340	308
Life insurance premiums	111	100
Board per diems (attendance)	231	222
Total	2,645	2,566

b) Remuneration of Senior Management personnel

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

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

	Thousands of Euros	
	2023	2022
Fixed remuneration	734	985
Variable remuneration	321	470
Life insurance premiums	5	8
Total	1,060	1,463

These amounts reflect the provisions for the accrued incentive, payable in cash, corresponding to the 2021-2023 Plan and the Retention Plan finalised in 2022 (Notes 3 and 25.9).

The fair value of the incentives referred to the share quotation price was estimated on the basis of Prosegur’s share quotation price at the end of the year or at the payment time.

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

As required by articles 228, 229 and 230 of the Revised Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010 and amended by Act 31/2014 concerning improvements to corporate governance, the members of the Board of Directors declare that they have not been involved in any direct or indirect conflicts of interest with the company in 2023.

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 2023, fees totalled EUR 406 thousand (EUR 463 thousand at 31 December 2022).

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.

21. Employee Information

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

	<u>2023</u>	<u>2022</u>
Indirect personnel	41	40
Operations personnel	1	1
Total	<u>42</u>	<u>41</u>

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

	<u>2023</u>		<u>2022</u>	
	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>
Indirect personnel	19	23	16	24
Operations personnel	—	—	—	1
Total	<u>19</u>	<u>23</u>	<u>16</u>	<u>25</u>

The year-end (and average) distribution by gender of the Board of Directors and Senior Management personnel is as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Women</u>	<u>Men</u>	<u>Women</u>	<u>Men</u>
Directors	3	6	2	7
Senior Management	1	6	1	4
Total	<u>4</u>	<u>12</u>	<u>3</u>	<u>11</u>

There is a disabled employee in 2023 (1 disabled employee during 2022).

22. Audit Fees

In 2023 and 2022 Ernst & Young, S.L., the auditors of the Annual Accounts of the Company, invoiced the following fees and expenses for professional services:

	Thousands of Euros	
	2023	2022
Audit	394	250
Other audit-related services	21	107
Other services	18	19
Total	433	376

Audit services detailed in the above table include the total fees for services rendered in 2023 and 2022, irrespective of the date of invoice. Other audit-related services rendered in 2023 and 2022 correspond mainly to reports on procedures rendered by Ernst & Young, S.L. to the Company.

23. Financial risk management

Financial risk factors

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

(i) Currency risk

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

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

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

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

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

	Thousands of Euros			
	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Euros	214,927	926,755	285,886	1,648,646
Argentine Peso	—	—	37	7
US Dollar	44,102	31,676	30,257	19,425
Peruvian Sol	—	—	—	32
Dirham	21	—	—	—
Brazilian Real	—	66	—	—
Chilean Peso	793	5,939	370	8,830
Colombian Peso	—	1,720	—	1,389
Pound Sterling	47	—	120	—
Total	259,890	966,156	316,670	1,678,329

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

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

Interest rate risk mainly arises from non-current borrowings. Borrowings at variable interest rates expose the Company to cash flow interest rate risks. Fixed-interest borrowings expose the Company to fair value interest rate risks.

In 2023 and 2022, the Company's borrowings at floating interest rates were basically denominated in euros.

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

The following are details of debt for debentures and other negotiable securities, bank loans and borrowings, either at a fixed rate or using derivatives:

	Thousands of Euros		
	2023		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 15)	738,654	573,654	165,000
Current (Note 15)	65,362	26,021	39,341
Total debt	804,016	599,675	39,506

	Thousands of Euros		
	2022		
	Total debt	Hedged debt	Debt exposure
Non-current (Note 15)	673,654	573,554	100,000
Current (Note 15)	755,237	735,237	20,000
Total debt	1,428,891	1,308,791	120,000

(iii) Credit risk

The Company has no significant credit risk concentrations given that, following the 2013 spin-off of the private security business line to Prosegur España S.L.U. the Company's main activity has been that of a holding of Group companies.

(iv) Liquidity risk

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

Management monitors the Company's liquidity reserves, which comprise credit drawdowns (see Note 15) and available cash and cash equivalents (see Note 12), and are forecast based on expected cash flows.

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

	Thousands of Euros				Total
	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	
31 December 2023	54,341	—	245,024	504,651	804,016
31 December 2022	40,000	—	178,901	1,209,990	1,428,891

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

(v) Price volatility risk

As the Company is a security-holding service business, there are no significant price volatility risks.

24. Events after the reporting date

On 18 January 2024, the Company received notice of the extension of the audit and investigation proceedings, and this has had no impact on the 2023 financial statements. The ongoing inspection proceedings cover Corporate Income Tax for the years 2019 through 2022 in its capacity as parent company of the Tax Group, Value Added Tax and Personal Income Tax for years 2020 through 2022. The initiation of this inspection procedure encompasses and extends the partial inspection procedures initiated in 2023 for which the dossier had remained pending. At the date of publication of this document, the inspection proceeding is still ongoing.

"The Board of the National Securities Market Commission approved the following resolution on 20 February 2024: "To authorise the partial voluntary public offer for the acquisition of shares in Prosegur Compañía de Seguridad, S.A. presented by Gubel, S.L. on 12 December 2023 and admitted for processing on 21 December 2023, as the terms thereof are considered to be in line with current regulations and the content of the explanatory prospectus presented is considered sufficient, following the latest modifications registered on 12 February 2024. The partial offer extends to the acquisition of a maximum number of 81,754,030 shares of Prosegur Compañía de Seguridad, S.A., representing 15% of its share capital, which is made up of 545,026,866 shares admitted to trading on the Madrid and Barcelona Stock Exchanges and included in the Stock Exchange Interconnection System, and is addressed to all shareholders except the offerer, who is the direct and indirect holder of 326,468,224 shares of Prosegur Compañía de Seguridad, S.A., representing 59.90% of its share

capital, which are immobilised. The offer price is EUR 1.83 per share and will be paid in cash. This price has been freely set by the offerer, in accordance with articles 13.5 and 14 of Royal Decree 1066/2007, of 27 July, on the rules governing takeover bids, and has not been submitted for consideration as an equitable price for the purposes of articles 110 of Law 6/2023, of 17 March, on Securities Markets and Investment Services, and 9 of the aforementioned Royal Decree" The CNMV will indicate the offer acceptance period when the offeror publishes the first of the announcements set out in Article 22 of Royal Decree 1066/2007."

25. Accounting principles

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

25.1. Intangible assets

The assets in intangible assets are posted at purchase price. The capitalisation of production cost appears under "Works carried out by the Company for assets" in the income statement. Intangible fixed assets are shown in the balance sheet at cost value less the amount of accumulated depreciation and impairment.

Fixed asset prepayments are recognised initially at cost. In subsequent years and provided the period between the payment and receipt of the asset exceeds one year, prepayments earn interest at the supplier's incremental rate.

a) Computer software

Computer software purchased and those developed by the Company, including costs of development of websites, are recognised insofar as they meet the criteria set for development costs. Such costs are amortised over the estimated useful lives of the applications, at 5 years.

Disbursements made for the development of a website for promotional purposes or the advertisement of products or services of the Company are recognised as expenses at the time these are incurred.

Computer software maintenance costs are charged as expenses when incurred.

b) Licences

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

c) Trademarks

Trademarks are initially recognised at their cost of purchase and are presented at historical cost. They have defined useful lives and are recognised at cost less amortisation and accumulated impairment losses. Trademarks are amortised on a straight-line basis to allocate the cost over their estimated useful lives (between 1.6 and 30 years), and the amortisation of the Prosegur brand is in 10 years (Note 6).

25.2. Property, plant and equipment

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

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

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

The replacement of property, plant and equipment that may be capitalised carries a reduction in the carrying amount of the items replaced. When the cost of the items replaced has not been depreciated separately and the calculation of the carrying amount thereof were not feasible, the cost of replacement is used as an indication of the cost of the items at the time of acquisition or construction thereof.

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

The Company uses the following depreciation rates:

	Depreciation rate
Technical facilities	10% to 25%
Data processing equipment	25%
Transport elements	16%
Other fixed assets	10% to 25%

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each balance sheet date.

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount.

Profit and losses on the sale of property, plant and equipment are calculated as the difference between the consideration received and the carrying amount, and are recognised in the income statement.

25.3. Impairment losses on non-financial assets

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). Prosegur reviews impaired non-financial assets other than goodwill at the end of each reporting period to assess whether the loss has been reversed.

25.4. Financial assets

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

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

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

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

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

a) Financial assets at fair value through profit and loss

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

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

b) Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Financial assets at fair value with changes in equity

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

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

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

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

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

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

d) Financial assets at cost

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

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

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

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

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

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

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

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

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

a) Disposals of financial assets

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

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

b) Offsetting principles

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

25.5. Cash and cash equivalents

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

25.6. Equity

The share capital of the Company is represented by ordinary 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.

25.7. Financial liabilities

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

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

a. Financial liabilities at amortised cost

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

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

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

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

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

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

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

b. Financial liabilities at fair value through profit or loss

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

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

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

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

c. Derecognition of financial liabilities

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

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

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

d. Own equity instruments

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

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

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

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

e. Guarantee bonds given and received

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

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

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

25.8. Current and deferred taxes

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

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

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

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

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

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

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

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

25.9. Employee benefits

a) Compensation based on the quoted share price of Prosegur shares for the 2021-2023 Plan

The 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 Directors of the Company.

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

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 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. 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.

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.

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

b) Termination benefits

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

c) Profit-sharing plans and bonuses

The Company calculates the liability and expense for bonuses using a formula based on EBITDA (earnings before interest, tax, depreciation and amortisation) when these are contractually binding or where past practice has given rise to constructive obligations.

d) Management remuneration

As well as profit-sharing plans, Prosegur has incentive plans for 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 management's best possible estimate of the extent to which targets will be met.

25.10. Provisions and Contingent Liabilities

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

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

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

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

Possible obligations arising from past events, the materialisation of which is contingent on one or more future events beyond the control of the Company, are considered contingent liabilities. These contingent liabilities are not recognised in the Annual Accounts but are disclosed in the notes (Note 17).

25.11. Business combinations

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

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

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

Mergers, spin-offs and non-monetary contributions between Group companies are recognised using the criteria applicable to related party transactions (Note 25.15).

Business combinations arising as a result of the acquisition of shares or equity holdings in a company are recognised using the criteria applicable to investments in group companies, jointly controlled companies and associates (Note 25.4).

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

25.12. Revenue recognition

On 30 January 2021, Spanish Royal Decree 1/2021, of 12 January, was published amending the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, of 16 November. Changes to the Spanish General Chart of Accounts are applicable to reporting periods commencing as of 1 January 2021, and focus on criteria for the recognition, valuation and breakdown of income and financial instruments, detailed as follows: In the case of the revenue recognition, the changes caused have not had a relevant effect on these Annual accounts, because Company revenue from its activity comes mainly from the receipt of dividends from its investees.

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

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

- a) Identify the contract(s) with the client, understood as an agreement between two (or more) parties which creates rights and obligations to which all are subject.
- b) Identify the obligation or obligations to be fulfilled in the contract, representing the commitments to transfer goods or provide services to a client.
- c) Establish the transaction price or the consideration under the contract which the company expects to receive in exchange for transferring the goods or providing the services undertaken with the client.

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

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

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

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

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

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

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

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

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

a) The sale or subsequent use takes place; or

b) The obligation assumed by the company under the contract, and to which some or all of the variable consideration has been fulfilled (or partially fulfilled).

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

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

a) Provision of services

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

b) Interest received

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

c) Dividend received

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

25.13. Leases

a) Operating leases - lessee

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

25.14. Foreign currency transactions

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

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

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

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

25.15. Related party transactions

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

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

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

Appendix I – Investments in Group companies

Below is the information relating to shares held in Group companies:

Obs.	Name	Registered office	Asset	2023 Shareholding		2023 Voting rights		Auditor	Quotation price at close	Average 4Q quotation price	
				Dir. %	Ind. %	Dir. %	Ind. %				
*	Prosegur Gestión de Activos, S.L.U.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—
*	Prosegur Global Alarmas, S.L.U.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—
	Compañía Ridur 2016, S.A.U.	C/ Pajaritos, 24	Madrid	7	100%	—%	100%	—%	B	—	—
*	Prosegur Global SIS, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—
*	Prosegur Cash, S.A.	C/ Santa Sabina, 8	Madrid	5	79%	21%	79%	21%	A	0.54	0.54
*	Prosegur Global Alarmas ROW, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—
*	Prosegur Global SIS ROW, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—
*	Prosegur Global Cyber Security, S.L.U.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	B	—	—
**	Prosegur Global BSI International, S.L.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—
*	Prosegur Avos España, S.L.U.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	A	—	—
	Tidian Europe S.L.	C/ Pajaritos, 24	Madrid	2	50%	—%	50%	—%	B	—	—
**	Prosegur Finance, S.A.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—
	Prosegur ODH, S.L.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—
	Rosegur Holding Corporation, S.L.	C/ Pajaritos, 24	Madrid	5	50%	50%	50%	50%	B	—	—
	Segtech Ventures SCR, S.A.U.	C/ Pajaritos, 24	Madrid	6	100%	—%	100%	—%	A	—	—
	Prosegur ODH, S.L.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—
	Rosegur Holding Corporation, S.L.	C/ Pajaritos, 24	Madrid	5	50%	50%	50%	50%	B	—	—
	Segtech Ventures SCR, S.A.U.	C/ Pajaritos, 24	Madrid	6	100%	—%	100%	—%	A	—	—
*	Prosegur Holding, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	9%	91%	9%	91%	A	—	—
	Prosegur Inversiones, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	9%	91%	9%	91%	A	—	—
	Prosegur Tecnología Chile, Ltda.	Avenida del Condor #720 301	Huechuraba - Santiago de Chile - Chile	1	—%	—%	—%	—%	B	—	—
*	Prosegur Gestão de Activos, Ltda.	Rodovia BR 116, Km 102, Curitiba, Paraná - Brazil	Paraná	7	—%	100%	—%	100%	B	—	—
	Prosegur Tecnología Peru, S.A.	La Chira, 103 Surco	Lima	1	99%	1%	99%	1%	B	—	—

Prosegur Activa Perú, S.A.	Avda. República de Panamá, 3890-Surquillo	Lima	3	—%	100%	—%	100%	B	—	—
Prosegur Technological Security Solutions LLC	Al Falah Street-211	Abu Dhabi	1	49%	51%	49%	51%	B	—	—
Cipher, S.A.	Praça Quinze de Novembro, nº 20	Rio de Janeiro - Brasil	1	100%	—%	100%	—%	B	—	—
Prosegur Consumer Finance Perú S.A.C.	Avda. República de Panamá, 3890-Surquillo	Lima	6	90%	—%	90%	—%	B	—	—
Prosegur Ciberseguridad Uruguay, S.A.	Guarani 1531	Montevideo	1	100%	—%	100%	—%	B	—	—
Cipher Security Limited	45 Pall Mall, St James's, SW1Y 5JG, London	UK	1	100%	—%	100%	—%	B	—	—
* Soluciones en Negocios SpA	Nueva York 33 piso 10, comuna de Santiago, Región Metropolitana, República de Chile	Chile	2	100%	—%	100%	—%	B	—	—
Solu4B Software Company SpA	Nueva York 33 piso 10, comuna de Santiago, Región Metropolitana, República de Chile	Chile	2	100%	—%	100%	—%	B	—	—
Soluciones en Tecnología de la Información SpA	Nueva York 33 piso 10, comuna de Santiago, Región Metropolitana, República de Chile	Chile	2	20%	80%	20%	80%	B	—	—
Cipher Security LLC	1111 Brickell Avenue, Miami, Florida 33131 - USA	USA	2	16%	85%	16%	85%	B	—	—
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	Av. Ermano marchetti, nº 1435, andar 6 sala 2, Lapa	Brazil	2	50%	50%	50%	50%	B	—	—
Prosegur BSI Canada Limited	700 - 401 WEST GEORGIA STREET	VANCOUVER - CANADA	2	77%	23%	77%	23%	B	—	—
Pitco Asia Pacific Ltd.	Harbour City, 21 Canton Road, Tsimshatsui	Hong Kong	9	100%	—%	100%	—%	B	—	—
Prosegur Security UK Limited	710 Avenue West, Skyline 120, Great Notley	UK	1	100%	—%	100%	—%	B	—	—

Obs: (*): These companies hold a share in other Group companies within their same geographical area.

Obs (**): Company wound up in 2022

Activity: 1. Comprehensive security solutions 2. Logistics 3. Alarms 4. Two or more activities 5. Holding company 6: Financial services 7: Ancillary services 8: Inactive 9: Surveillance

Auditor: A. EY B. Not subject to audit C. Others

Activity: 1. Comprehensive security solutions 2. Logistics 3. Alarms 4. Two or more activities 5. Holding company 6: Financial services 7: Ancillary services 8: Inactive 9: Surveillance

Auditor: A. EY B. Not subject to audit C. Others

Obs.	Name	Registered office	Asset	2022		Shareholding		Voting rights		Auditor	Quotation price at close	Average 4Q quotatio
				Dir. %	Ind. %	Dir. %	Ind. %					
*	Prosegur Gestión de Activos, S.L.U.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—	
*	Prosegur Global Alarmas, S.L.U.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—	
	Compañía Ridur 2016, S.A.U.	C/ Pajaritos, 24	Madrid	7	100%	—%	100%	—%	B	—	—	
**	Prosegur Assets Management, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—	
*	Prosegur Global SIS, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—	
*	Prosegur Cash, S.A.	C/ Santa Sabina, 8	Madrid	5	79%	21%	79%	21%	A	0.60	0.61	
*	Prosegur Global Alarmas ROW, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	B	—	—	
*	Prosegur Global SIS ROW, S.L.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	A	—	—	
*	Prosegur Global Cyber Security, S.L.U.	C/ Pajaritos, 24	Madrid	5	100%	—%	100%	—%	B	—	—	
	Prosegur Global BSI International, S.L.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—	
	Prosegur Avos España, S.L.U.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	A	—	—	
	Tidian Europe S.L.	C/ Pajaritos, 24	Madrid	2	50%	—%	50%	—%	A	—	—	
	Prosegur Finance, S.A.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—	
	Prosegur ODH, S.L.	C/ Pajaritos, 24	Madrid	2	100%	—%	100%	—%	B	—	—	
	Rosegur Holding Corporation, S.L.	C/ Pajaritos, 24	Madrid	5	50%	50%	50%	50%	B	—	—	
	Segtech Ventures SCR, S.A.U.	C/ Pajaritos, 24	Madrid	6	100%	—%	100%	—%	A	—	—	
*	Prosegur Holding, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	9%	91%	9%	91%	A	—	—	
*	Prosegur Inversiones, S.A.	Tres Arroyos 2835	Ciudad de Buenos Aires	5	9%	91%	9%	91%	A	—	—	
	Prosegur Tecnologia Chile, Ltda.	Avenida del Condor #720 301	Huechuraba - Santiago de Chile	1	—%	—%	—%	—%	B	—	—	
	Prosegur Gestão de Activos, Ltda.	Thomas Edison 813 Barra Funda	São Paulo	7	—%	100%	—%	100%	B	—	—	
	Prosegur Tecnologia Peru, S.A.	La Chira, 103 Surco	Lima	1	100%	—%	100%	—%	B	—	—	
	Prosegur Activa Perú, S.A.	Avda. República de Panamá, 3890-Surquillo	Lima	3	—%	100%	—%	100%	B	—	—	
	Prosegur Technological Security Solutions LLC	Al Falah Street-211	Abu Dhabi	1	49%	51%	49%	51%	B	—	—	
	Cipher, S.A.	Praça Quinze de Novembro, nº 20	Rio de Janeiro -	1	100%	—%	100%	—%	B	—	—	

Prosegur Consumer Finance Perú S.A.C.	Avda. República de Panamá, 3890-	Lima	6	90%	—%	90%	—%	B	—	—
Prosegur Ciberseguridad Uruguay, S.A.	Guarani 1531	Montevideo	1	100%	—%	100%	—%	B	—	—
Cipher Security Limited	45 Pall Mall, St James's, SW1Y 5JG,	UK	1	100%	—%	100%	—%	B	—	—
Soluciones en Negocios SpA	Nueva York 33 piso 10, comuna de Santiago, Región Metropolitana,	Chile	2	100%	—%	100%	—%	B	—	—
Solu4B Software Company SpA	Nueva York 33 piso 10, comuna de Santiago, Región Metropolitana, República de Chile	Chile	2	100%	—%	100%	—%	B	—	—
Soluciones en Tecnología de la Información SpA	Nueva York 33 piso 10, comuna de Santiago, Región Metropolitana, República de Chile	Chile	2	20%	80%	20%	80%	B	—	—
Cipher USA	1111 Brickell Avenue, Miami, Florida 33131 - USA	USA	2	16%	84%	16%	84%	B	—	—
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	Av. Ermano marchetti, nº 1435, andar 6 sala 2, Lapa	Brazil	2	50%	50%	50%	50%	B	—	—
Prosegur BSI Canada Limited	700 - 401 WEST GEORGIA STREET	VANCOUVER -	2	77%	23%	77%	23%	B	—	—
Pitco Asia Pacific Ltd.	Harbour City, 21 Canton Road, Tsimshatsui	Hong Kong	9	100%	—%	100%	—%	B	—	—
Prosegur Security UK Limited	710 Avenue West, Skyline 120, Great Notley	UK	1	100%	—%	100%	—%	B	—	—
Rosegur Cash Services, S.A.	Popa Lazar street no. 5-25, 1st floor, sector 2	Bucharest, Romania		51%	—%	51%	—%	B	—	—

Obs (*): These companies hold a share in other Group companies within their same geographical area.

Obs (**): Company wound up in 2022

Activity: 1. Comprehensive security solutions 2. Logistics 3. Alarms 4. Two or more activities 5. Holding company 6: Financial services 7: Ancillary services 8: Inactive 9: Surveillance

Auditor: A. EY B. Not subject to audit C. Others

		2023								
Thousands of Euros		NET EQUITY								
Name	Country	Carrying amount	Share capital	Reserves	Other items	Profit/Loss for the	Total	Operating profit/loss	Dividends Received	
Companies in Spain:										
Prosegur Gestión de Activos, S.L.U.	Spain	276,525	29,953	4,561	208,888	10,280	253,683	(1,409)	5,008	
Prosegur Global Alarmas, S.L.U.	Spain	227,585	2,000	1,656	181,942	2,858	188,456	499	—	
Compañía Ridur 2016, S.A.U.	Spain	49,873	881	228	54	(4)	1,160	(1)	—	
Prosegur Global SIS, S.L.U.	Spain	272,254	3	—	377,226	6,596	383,825	1,087	—	
Prosegur Cash, S.A.	Spain	131,595	30,459	294,396	(38,326)	18,004	304,533	52,476	—	
Prosegur Avos España, S.L.U.	Spain	70,257	3	3,067	52,488	(672)	54,886	645	—	
Prosegur Global Alarmas ROW, S.L.U.	Spain	68,065	3	3,907	68,062	11,858	83,831	(1,585)	5,000	
Prosegur Global SIS ROW, S.L.U.	Spain	332,443	3	—	290,719	12,377	303,100	1,586	—	
Prosegur Global Cyber Security, S.L.U.	Spain	9,990	3	5,750	3,474	(543)	8,685	572	—	
Segtech Ventures, S.A.U.	Spain	14,450	1,200	404	9,713	(328)	10,988	495	—	
Tidian Europe S.L.	Spain	—	3	—	553	(195)	361	260	—	
Subsidiaries abroad:										
Prosegur Holding, S.A.	Argentina	2,820	4,312	23,921	13,403	677	42,312	(8)	—	
Prosegur Inversiones, S.A.	Argentina	314	484	2,563	1,473	75	4,596	(10)	—	
Prosegur AVOS Portugal Unipessoal Ltda	Portugal	4	1	—	—	(1)	—	—	—	
Prosegur Gestão de Activos, Ltda.	Brazil	—	18,774	660	7,093	1,855	28,382	1,578	—	
Prosegur Tecnología Peru, S.A.	Peru	549	2,286	48	(1,510)	(9)	815	114	—	
Prosegur Activa Perú, S.A.	Peru	103	23,008	2,781	(14,896)	(1,807)	9,087	(1,149)	—	
Prosegur Technological Security Solutions LLC	Arab Emirates	10	61	—	(775)	(77)	(790)	(17)	—	
Cipher S.A.	Brazil	17,922	3,654	209	(2,606)	(1,008)	249	(1,124)	—	
Prosegur Consumer Finance Perú, SAC	Peru	—	—	—	—	—	—	—	—	
Prosegur Ciberseguridad Uruquay, S.A.	Uruquay	23	20	—	(19)	(2)	—	(2)	—	
Cipher Security Limited	UK	9,795	2,486	—	(2,590)	82	(23)	6	—	
Soluciones en Negocios SpA	Chile	8,661	1,604	(374)	(4,199)	(395)	(3,364)	(525)	533	
Solu4B Software Company SpA	Chile	—	155	—	(1,027)	(23)	(895)	(43)	—	
Soluciones en Tecnología de la Información SpA	Chile	365	59	3	2,003	422	2,487	600	—	
Cipher USA	USA	1,326	3,784	—	(5,261)	(1,767)	(3,244)	(1,737)	—	
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	Brazil	—	281	—	(10)	(175)	97	(174)	—	
TOTAL		1,494,929					10,541			

		2022							
Thousands of Euros		NET EQUITY							
Name	Country	Carrying amount	Share capital	Reserves	Other items	Profit/Loss for the	Total	Operating profit/loss	Dividends Received
Companies in Spain:									
Prosegur Gestión de Activos, S.L.U.	Spain	286,525	29,953	9,954	256,573	4,973	301,453	(2,097)	—
Prosegur Global Alarmas, S.L.U.	Spain	204,585	2,000	400	158,469	1,729	162,598	345	—
Compañía Ridur 2016, S.A.U.	Spain	49,873	881	228	51	3	1,163	4	—
Prosegur Assets Management, S.L.	Spain	—	—	—	—	—	—	—	6,889
Prosegur Global SIS, S.L.U.	Spain	317,360	3	—	356,525	(300)	356,228	1,233	—
Prosegur Cash, S.A.	Spain	131,595	30,459	292,958	7,578	(10,827)	320,168	(44,554)	31,811
Prosegur Avos España, S.L.U.	Spain	62,257	3	1,273	44,488	1,795	47,559	(2,485)	—
Prosegur Global Alarmas ROW, S.L.U.	Spain	92,065	3	10,909	63,206	7,999	82,117	(533)	—
Prosegur Global SIS ROW, S.L.U.	Spain	386,443	3	—	334,321	10,399	344,723	179	—
Prosegur Global Cyber Security, S.L.U.	Spain	9,990	3	5,750	3,564	(89)	9,228	130	—
Prosegur Finance, S.A.	Spain	13	3	—	7	—	10	—	—
Prosegur ODH, S.L.	Spain	—	3	—	599	(249)	353	325	—
Prosegur Global BSI International, S.L.	Spain	13	3	—	6	—	9	—	—
Seqtech Ventures, S.A.U.	Spain	10,450	1,200	404	9,533	(421)	10,716	744	—
Tidian Europe S.L.	Spain	575	3	—	553	—	556	—	—
Subsidiaries abroad:									
Prosegur Holding, S.A.	Argentina	1,707	5,682	36,031	11,590	1,263	54,566	(13)	7
Prosegur Inversiones, S.A.	Argentina	190	639	3,860	1,250	154	5,903	(11)	—
Prosegur Gestão de Activos, Ltda.	Brazil	—	17,852	2,807	6,745	1,968	29,372	1,982	—
Prosegur Tecnologia Peru, S.A.	Peru	549	2,297	49	(1,570)	52	828	265	—
Prosegur Activa Perú, S.A.	Peru	102	19,437	2,795	(14,507)	(463)	7,262	(554)	—
Prosegur Technological Security Solutions LLC	Arab Emirates	10	64	—	(799)	(3)	(738)	(29)	—
Cipher S.A.	Brazil	17,922	3,475	520	(3,513)	713	1,195	(57)	—
Prosegur Consumer Finance Perú, SAC	Peru	85	99	—	(7)	2	94	1	—
Prosegur Ciberseguridad Uruguay, S.A.	Uruguay	23	21	—	(10)	(9)	2	(10)	—
Cipher Security Limited	UK	9,795	2,436	—	(2,444)	(94)	(102)	(102)	—
Soluciones en Negocios SpA	Chile	8,661	1,702	(397)	(3,656)	(249)	(2,600)	(17)	—
Solu4B Software Company SpA	Chile	1,071	164	—	(1,215)	126	(925)	(17)	—
Soluciones en Tecnología de la Información SpA	Chile	365	63	3	1,556	569	2,191	616	—
Cipher USA	USA	1,326	3,920	—	(3,704)	(1,747)	(1,531)	(1,646)	—
Aeroseg Brasil Desenvolvimento e Operacoes de Veiculos nao Tripulados LTDA	Brazil	283	283	—	—	(9)	274	(9)	—
TOTAL		1,593,823							38,707



PROSEGUR

Directors' Report for 2023

Prosegur Compañía de Seguridad, S.A.

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Directors' Report for 2023

This Directors' Report has been prepared in accordance with the recommendations contained in the Guidelines for the preparation of the Directors' Report of listed companies, published by the CNMV.

1. The Company's situation

Prosegur is a multinational group, whose holding company is Prosegur Compañía de Seguridad, S.A. (hereinafter, the Company), which provides global and comprehensive security solutions adapted to the needs of our clients.

Prosegur gives private security services in the following countries: Germany, Austria, Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Denmark, Ecuador, El Salvador, Spain, the United States, the Philippines, Finland, France, Guatemala, Honduras, India, Indonesia, Luxembourg, Mexico, Nicaragua, Paraguay, Peru, Portugal, the United Kingdom, Singapore, South Africa, Sweden, and Uruguay.

The main activity of the Company is the acquisition, holding, management and administration of securities and shares or any other form of representation of interest in the capital of entities that are resident and non-resident in Spain and of funding in investee companies; and the provision of services that are complementary or ancillary to the management of activities carried out by the investee companies.

1.1 Business model

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 offers comprehensive physical and electronic security solutions with high added value. It protects the integrity of people and undertakings 365 days a year and 24 hours a day using 360° solutions that combine technology and efficiency, placing the very latest generation tools in the hands of the best professionals.



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 securities logistics 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.

1.2 Values

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 this turbulent, complex year that was 2023, 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. We believe that ethical, responsible and efficient management of our human capital provides a fundamental guarantee of the long-term growth and 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 nearly 47 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 who uses the facilities we protect. 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

Over the last three years, Prosegur has consolidated its core values, which are at the heart of its commitment to comprehensive protection and continuous innovation. This set of principles, deeply rooted in the company's culture, is at the core of all its actions and decisions:

 <p>1. People</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>
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Sustainability is a key value

In line with the evolution of our corporate culture, in 2021 we adopted our Sustainability Master Plan 2021-2023 approved by our Board of Directors. It provides the guiding principles that shape the company's commitment to become increasingly sustainable.

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 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 years.

For instance, in November 2021, Prosegur and Prosegur Cash received a further accolade when they became the first companies to be awarded the AENOR Good Corporate Governance certification. In June 2022, Prosegur and Prosegur Cash became the first private security companies worldwide to obtain and publish their S&P Global Ratings evaluation on environmental, social and governance standards (ESG), which evaluates the strategy of a company and its ability to address possible risks and future opportunities.

Ethical commitments and new partnerships

In addition to this independent recognition for responsibility and excellence in business practices, 2023 also saw Prosegur undertaking noteworthy major ethical commitments.

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

On 2 November 2022, Prosegur approved a new version of its Code of Ethics and Conduct, a document whose guiding principles and scope are detailed in chapters 4 and 6 of the Consolidated Directors' Report. These new commitments join those already subscribed in prior years, such as the environmental Climate Pledge initiative, resulting in a complete corporate decarbonisation and emissions offsetting project, or the adherence to Forética, a benchmark organisation in the field of sustainability and corporate social responsibility in Spain.

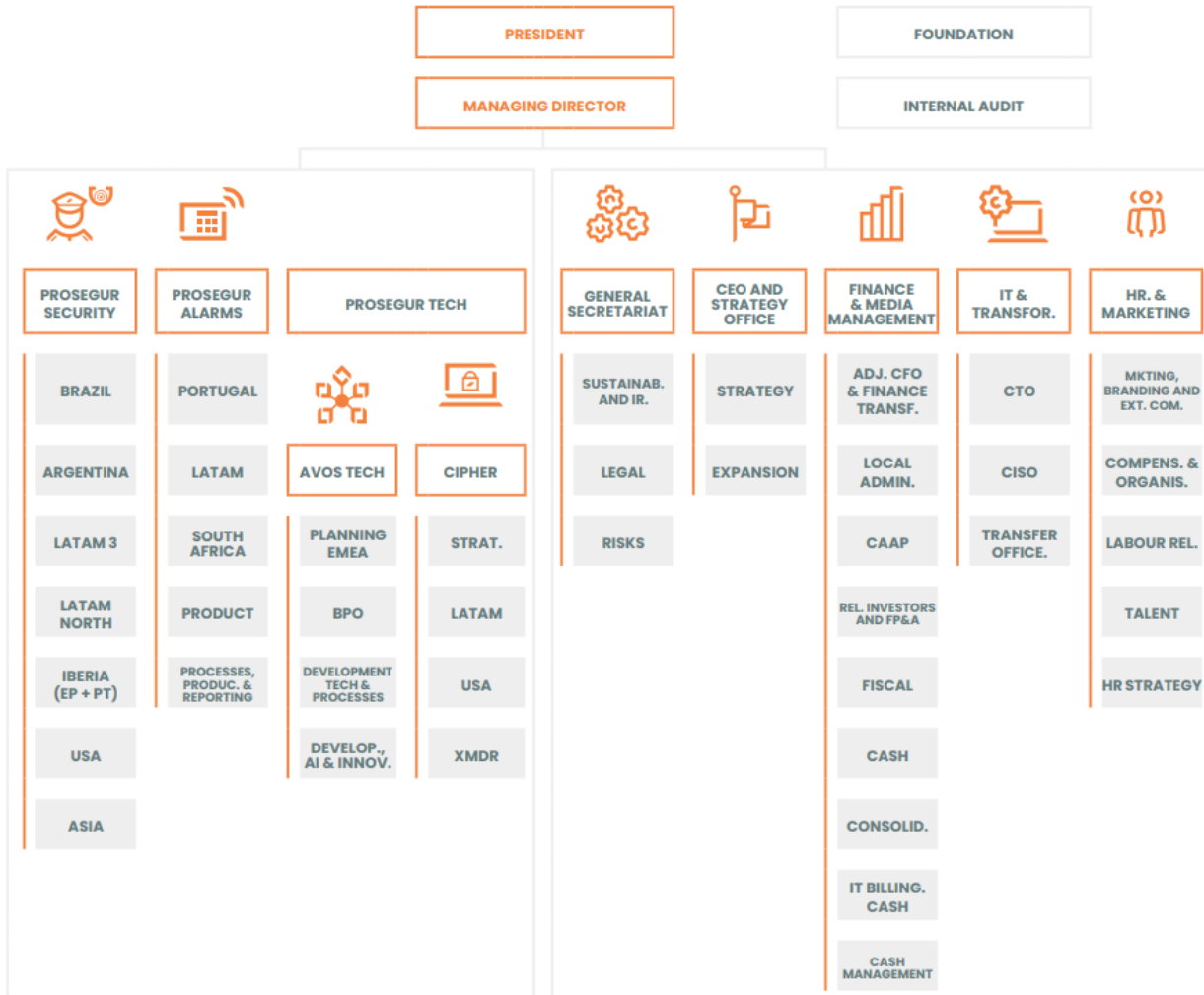
1.3. Organisational structure and governance

Our organisational structure 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.

The organisation of Prosegur is shown in the table below:



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 2023, the Ordinary General Meeting was held on 7 June. Among other issues, they addressed the approval of both the Individual and Consolidated Annual Accounts of the Company for the year 2022.

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.

We have two delegated committees of the Board of Directors: the Audit Committee and the Committee for Sustainability, Corporate Governance, Appointments and Remuneration, each with its own responsibilities.

- The responsibilities of the Audit Committee, composed 66.6% by independent directors, include, 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. It also has responsibility for providing information, consultancy and proposals in environmental, social and corporate governance areas, as well as on compliance with the commitments assumed under the United Nations Sustainable Development Goals (SDGs).

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 designed to enrich company operations. In practice, it includes a series of procedures, best practice manuals and training activities, together with an on-going critical evaluation process that enables an immediate response to issues such as the prevention of money laundering, defence of competition and unfair competition or anti-corruption. It complements and implements the Prosegur Code of Ethics and Conduct that has been updated in 2022.

For compliance with all of these commitments we have implemented several standard procedures in each of the aforementioned corporate policies or the implementation of collegiate, internal, permanent and multidisciplinary supervision and control bodies, such as the Risk or Regulatory Compliance Committees, which are responsible for ensuring the Company's best commitments, practices and policies.

Prosegur was the first Spanish company to obtain the AENOR Good Corporate Governance Certification with the highest possible rating: G++, which means recognition of the efforts to ensure responsible and transparent stakeholder relations and corporate governance protocols.

Annual Corporate Governance Report

The Annual Corporate Governance Report of Prosegur Cash for 2023 forms part of the Directors' Report, and is presented as a separate document in the corresponding format. It is therefore available on the CNMV and the Prosegur websites from the date of publication of the Annual Accounts.

Directors' Remuneration Report

The Prosegur Annual Report on Director Remuneration for 2023 forms part of the Directors' Report, and is presented in a separate document in corresponding. It is therefore available on the CNMV and the Prosegur websites from the date of publication of the Annual Accounts.

1.4. Strategic performance

Over the past three years, Prosegur adhered strictly to an explicit business roadmap in the 2021-2023 Strategic Plan, a series of key lines of action aimed at consolidating and expanding the global leadership of our company in the private security market. For Prosegur, it has been the equivalent of a fulcrum for a profound transformation of its corporate culture and business models.

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. For the immediate future, continuous growth means reinforcing these strengths and focusing on three priority lines of action:

- ▶ Flexibly adapting the company's traditional business model to a scenario subject to major changes and in which, consequently, risks and opportunities multiply.
- ▶ **Increased efficiency** by optimising the cost of 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 Prosegur's sector. This process is based on four closely connected pillars:

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

1.4.1 Creativity as lever for growth

In purely quantitative terms, the plan foresees year-on-year revenue growth.

Before then, we expect that further consolidation of our business plan will enable us to exceed our pre-crisis EBITA profitability in 2024, 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.

1.4.2 Firmness in directives, flexibility in teams

The strategic design adopted in recent years has also entailed a wide-ranging internal reorganisation aimed at deepening digital and technological transformation initiatives, as well as specific growth plans for each of the business units. The main consequence of all this is a diversification of sources of income that has already been noticeable in this period and is expected to increase in the coming years.

At the same time, a dynamic of standardisation and continuous improvement of processes has been generated that drives efficiencies and promotes greater flexibility to operate in the current context.

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. By 2023, new products will already account for more than 30% of the company's total revenues, an important step towards the approximate equalisation in economic performance between traditional and new products that is expected to be achieved by 2030.

In terms of the geographic distribution of sales, the USA is the market where the most significant upward trend is expected, which could entail 12% of Prosegur's revenue by the close 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 transactions that will add around EUR 300 million to turnover.

1.4.4 Five strategies in one

Each of our business units has designed specific growth strategies, based on the Perform & Transform principles

- ▶ The promising prospects of Prosegur Security are largely focused on the growing popularity of its advanced hybrid security solutions, which already benefit 32% of the company's clients. Key to this strategy, which combines technology and human capital are the 14 interconnected security centres (iSOCs) that Prosegur already has. 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 the Company's business models. In 2023, the company grew significantly in all the countries where it operates with special mention to Brazil, Spain and the United States.
- ▶ As for Cipher, the cyber security unit this year developed xMDR, a solution that integrates AI to adapt to the specific needs of its clients. The effectiveness of this technological resource was demonstrated by the filtering of the 12,000 alerts registered in the first week, which allowed 120 real incidents to be identified and the remaining 99% of false incidents to be discarded.
- ▶ Prosegur Alarms in 2023 recorded a substantial improvement in the efficiency and effectiveness of its systems thanks to the integration of AI. The use of predictive client behaviour models and the evolution of video and image management platforms are noteworthy in this regard.
- ▶ At the same time, Prosegur AVOS took very substantial steps in the last financial year towards its transformation into a platform for value as a service services and solutions. This change includes the integration of generative AI into the software developed by the unit and the connection of these products with BPaaS (Business Process as a Service).
- ▶ Prosegur Cash benefited in 2023 from the high level of acceptance of its New Products, which has driven significant growth in business areas such as foreign exchange (Forex), correspondent banking (Corban) and cash automation machines (Cash Today). The announcement of the imminent inauguration of a Crypto bunker in Brazil and the plans for the massive implementation of artificial intelligence solutions are clear symptoms of the dynamism and international projection of this line of business.

1.5. Innovation and Digital Transformation

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.

The 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. In the period from 2021 to 2023, the company earmarked the EUR 57.5 million loan funds from the EIB (European Investment Bank) for innovation, digitisation and sustainability projects.

The projects to which the financial support has been allocated are those included in 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 the Sustainability Master Plan.

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 years Prosegur has 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. This process of active listening and thorough understanding can allow us to 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 2023, Prosegur worked on developing and putting into practice five digital transformation programmes with around 60 world-wide applied technological innovation projects.

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

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

The following are some of the main initiatives that emerged from this effort in the past year.

A steadily growing network of global operations

2023 was a key year in the development of Prosegur's network of interconnected security centres (iSOCs), an essential element in the growth strategy associated with innovation to which the company is committed. Coinciding with the first anniversary of the opening of the first of these in Madrid, the company opened ten more in the last financial year, bringing its total to 14.

The iSOCs centrally integrate a wide range of disruptive technologies, from Artificial Intelligence to the Internet of Things or Big Data. They have the capacity for the intelligent processing of large information flows and the management of advanced security services, as well as the possibility for integration with the technological tools of the Company's clients.

The new centres, located in some of the main countries in which Prosegur operates (Brazil, Chile, China, Colombia, Mexico, Paraguay, Peru, Portugal, Spain Singapore, United States and Uruguay), are responsible for the annual management of 1.5 million events and contextualised security data.

A new digital archive safekeeping bunker

In November, Prosegur Crypto, Prosegur Cash's institutional digital file custody service, announced that the creation of a digital bunker in Brazil is already under way. As a result of this initiative, 50% of Crypto's global operations will be managed in Brazil, which is a clear proof of the importance that this market is acquiring in Prosegur's global strategy.

The bunker is an optimal fusion of conventional physical security resources and digital protection. It will make use of proprietary cold storage technologies and will keep clients' private keys off-line. It will have more than a hundred protection measures distributed in six layers and will make use of a robust chain of custody based on blockchain technology.

A cutting-edge video platform

Prosegur Alarms this year promoted the implementation of GenzAI VMS, an innovative video platform developed in-house that includes intelligent recognition technologies for people or pets, as well as the detection and identification of acoustic signals.

In 2023, platform was installed with optimal results in more than 100,000 IP cameras of clients of both the Movistar Prosegur Alarms (MPA) network and the international division Prosegur Global Alarms RoW. This advanced system integrates cutting-edge AI developments and offers direct notifications to users via the SMART app for mobile devices.

A new licensing model for the insurance sector

SISnet 360, AVOS Tech's software engineering company specialising in technological solutions for the insurance sector, launched a new licensing model in 2023, based on a cloud-based subscription system. This new model incorporates the latest technological innovations and enhances the security and overall performance of the system.

SISnet 360 is a tool that offers comprehensive solutions in a highly specialised and technically demanding environment. As a result, it is undergoing a process of continuous improvement which, in 2023, also resulted in the incorporation of machine learning and the improvement of fundamental aspects of its architecture, such as the optimisation of its data model for Azure SQL.

Also in this last year, SISnet took the first step in its gradual internalisation process with the construction of a country layer for Chile which includes all the regulatory specifications affecting the insurance market in that country, as well as the particularities related to money management, domicile or personal data.

A revolutionary cyber security solution

Cipher this year launched its extended Manager Detection and Response (xMDR) platform, a system for the detection and intelligent processing of cybersecurity alerts that can identify real incidents with a very high degree of accuracy and eliminate false alarms. Its screening engine monitors the client's existing protection technology both reactively and proactively, detecting vulnerabilities and continuously refining rules and response patterns.

Other notable functions are its neutrality and independence from the previous architecture, which allows it to adapt to any technology or provider, to cover the entire security perimeter and be

immediately implemented using cloud computing. Furthermore, its automated operation through AI and machine learning makes the platform an ideal resource to alleviate the shortage of personnel with a high degree of specialisation in cybersecurity.

A tool for resolving labour disputes

Prosegur's Human Resources department has launched LabourTech, an advanced labour dispute management tool that integrates Big Data, artificial intelligence and automation. A first projection of its impact showed that the tool will save the company up to 262,800 working hours per year.

LabourTech automatically generates documentary evidence, automatically resolves the scheduling and management of deadlines, mechanises the calculation of provisions and robotises payment orders. It also has a digital repository that stores all information securely and with the possibility of immediate access. The tool applies predictive artificial intelligence to its historical data, allowing conflicts to be prevented before they occur in an innovative, fully traceable and highly efficient way.

This self-developed management software has been awarded with the CIONET Vocento 2023 award in the People, Model, Organisation & Future of Work category and a runner-up award in the XXI Expansión Awards for Innovation in Human Resources.

A new legal services platform

Prosegur's Legal Area has launched LegalTech, an integrated platform of technological solutions for the provision of legal services whose intellectual property belongs entirely to the company. The tool, already available in all the countries where Prosegur operates, is in line with the increasing automation of very specific tasks which, at the same time, are repetitive and provide little value when carried out by humans.

Its intensive use makes it possible to centralise, simplify and standardise procedures and, consequently, guarantees an increase in the agility and efficiency of the legal department's tasks.

Other initiatives

Also worthy of mention are innovative actions with transformational potential such as the project to implement recycled plastic bags in Prosegur Cash (a step forward in the transition to a circular economy model), the development of a proprietary ESG data management tool, the launch by Prosegur Alarms of a home security product focused on the accurate detection of pet movements (PET Friendly) and the market launch of a state-of-the-art hybrid security product also developed by Prosegur Alarms.

1.5.1.2 Initiatives for collaboration and open innovation

A merger that optimises cash management

In September, Prosegur Cash and Linfox Armaguard, Australia's leading securities logistics company, completed the merger of their cash management business. This is a major deal, as the two merging companies are the industry leaders in the Australian market.

The resulting company has close to 4,000 employees, a fleet of almost 700 vehicles and more than 50 cash management centres throughout the country. It has also become the second largest independent ATM network in Australia, with more than 2,500 cash dispensers. The company is

expected to reach a turnover in excess of AUD 1 billion in the short term, an amount very much in line with the joint revenue projection made in the last financial year.

Prosegur Tech Ventures

Prosegur has 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 the private security sector.

To date, six exit operations have already been carried out under this programme:

- Concil, a Brazilian start-up related to the Prosegur Cash area. It was invested in in 2018 and sold to Pageseguro in 2021.
- Cognigo, an Israeli start-up related to the Cipher area. It was invested in in October 2018 and sold to NetApp in May 2019.
- Walmeric, a Spanish start-up related to the AVOS Tech area. It was invested in in January 2018 and sold to Globant in 2021.
- HDIV, a Spanish start-up related to the area of Cipher. It was invested in in July 2019 and sold to Datadog in 2022.
- Unnax, a Spanish start-up related to the Prosegur Cash area. It was invested in in January 2018 and is being sold to the French group PSG, in a transaction for which authorisation is expected to be obtained from the Bank of Spain in February 2024.
- Scadafence, an Israeli start-up related to the Cipher area. It was invested in June 2022 and sold to Honeywell in July 2023.

Other initiatives

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, the Company cooperates actively with the **Connected Industry Department at the Escuela Técnica Superior de Tecnología (ICAI)** at the Comillas Pontificia University in Madrid, where it is 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 Program of the prestigious Massachusetts Institute of Technology (MIT) offers Prosegur a broad perspective on the latest technological trends, provides access to high quality training programmes and allows contact with the start-ups that emerge from such a rich and innovation-prone academic environment.

1.5.2 This is how we transform

Prosegur has a digital transformation plan for all our activities named the Global Optimum programme. These are the main achievements resulting from the implementation of this programme in 2023:

- ▶ Conclusion of the roll-out of Global Optimum in Spain and Portugal and start in Latin America, with its launch in Argentina.
- ▶ Reduction of infrastructure obsolescence. With the changes made, 40% of critical applications reside on non-obsolete infrastructures.
- ▶ Improvement of cybersecurity KPIs. BitSight is at advanced level.
- ▶ Start making use of generative artificial intelligence in the workplace.

In the medium term, the main objectives of the Plan are as follows:

- ▶ To reduce the IT box and continue business transformation efforts at all levels.
- ▶ To enhance flexibility and investments differentiated by business. The IT operation is being aligned to the strategy of each business and the direct allocation of IT cost to the different lines continues to increase.

During the period covered by the Plan, around EUR 69 million have been invested in this task of digitisation and in-depth renewal of the operating model. The deployment of this plan is being carried out country by country: it began with Portugal in 2021 and by 2023 it was extended to a number of countries that together will account for two thirds of our global revenue.

Among the transformation initiatives carried out in the last year, the following are worth highlighting.

A new global management centre for Prosegur Cash

Prosegur Cash has set up its new global service management centre in the city of Buenos Aires, the place from where it will assist all the countries where the company is present. Among the activities taken on by the centre are the remote updating of the Cash Today software, the reconciliation of value date balances and the planning of ATMs.

The centralisation of this wide range of services at a single location has been an important step towards the standardisation of processes, quality improvement and the generation of efficiencies through scale economies.

A key step towards supply chain sustainability

Prosegur made progress in 2023 in its risk management project for its suppliers, an initiative whose first steps were already taken in November 2022 in collaboration with GoSupply. The aim is to carry out a complete approval and monitoring of the risk of the company's more than 23,000 suppliers in the 31 markets in which it operates.

Following the sustainability analysis of the first 3,600 suppliers, located in Colombia, Spain and Portugal, Prosegur proceeded to activate a system of alerts and notifications of latent risks based on a qualitative diagnosis focused, in particular, on critical suppliers.

New management systems

Prosegur has deepened its commitment to Oracle Cloud technology with the implementation in 2023 of its suite of business function management (Oracle Cloud ERP) and global human resources management (Oracle Cloud HCM) applications. Both systems have been satisfactorily deployed in Spain and Portugal and, subsequently, the process of exporting them to the rest of the territories where the company operates has begun. ERP has already begun its deployment in Argentina and is used by 34% of Prosegur's business lines and units. HCM is being deployed throughout Latin America and is used in 27% of the units.

High qualification in cybersecurity

Prosegur has achieved a rating of 780 (equivalent to an Advanced level) in the cybersecurity index prepared by the specialised consultancy BitSight. This is a very detailed assessment system, similar to that used for credit ratings, which, based on objective and independently verified information, determines the risk of data breaches and awards a score of between 250 and 900.

A migration of critical applications

As part of its internal Cyclone, the company has accelerated the migration of its critical applications to the Azure cloud, an operation that Prosegur values as highly beneficial in terms of performance and security. As a result of this move, 42% of the company's critical applications are already in the cloud.

2. Business performance and profit/loss

The Company has obtained negative results in 2023 of EUR -72,549 million derived from its income as a holding. The comparison with the results of the previous year are shown below:

(Thousands of Euros)	2023	2022	Variation
Sales	55,821	84,102	(33.63) %
EBITDA	-43,789	(6,776)	546.19 %
<i>Margin</i>	-78.45 %	(8.06) %	
PPE depreciation and computer software	(686)	(681)	
Adjusted EBITA	-44,475	(7,457)	496.38 %
<i>Margin</i>	-79.67 %	(8.87) %	
Other intangible assets depreciation excluding computer software	(3,937)	(3,938)	
EBIT	-48,412	(11,395)	324.84 %
<i>Margin</i>	-86.73 %	(13.55) %	
Finance profit/loss	(26,370)	(22,897)	
Profit/loss before tax	-74,782	(34,292)	118.07 %
<i>Margin</i>	(133.97) %	(40.77) %	
Taxes	2,233	1,111	
<i>Tax rate</i>	(2.99) %	(3.24) %	
Net result	-72,549	(33,181)	118.65 %

The most significant events reflected in the income statement of 2023 are the following:

	Thousands of Euros									
	National		Europe		AOA (*)		LatAm		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Dividend received:										
- Group companies and associates	21,872	51,815	—	—	—	—	533	7	22,405	51,822
Loan interest income	1,795	445	70	26	2,325	539	225	22	4,415	1,032
Provision of services:										
- General services	24,980	27,834	504	1,682	1,991	134	1,526	1,598	29,001	31,248
Total	48,647	80,094	574	1,708	4,316	673	2,284	1,627	55,821	84,102

(*) AOA: includes the USA and Singapore in 2023. In 2022 USA, Australia, Singapore and Abu Dhabi.

2.1. Investment activity

The changes in the composition of the Prosegur during 2023 were mainly due to the following business combination, detailed in Note 31 of the Consolidated Annual Accounts:

- On 31 July 2023, Prosegur acquired 100% of the German companies WSN Holding Verwaltungsgesellschaft GmbH and WSN Sicherheit und Service GmbH, related to securities logistics and cash management services.
- On 24 July 2023, the Prosegur Group acquired 16.4% of the company Dinero Gelt S.L. in Spain, related to cash back services, from the shareholder with which there was a contractual agreement to share control of the investee, so that through this acquisition Prosegur acquired control of the company and has begun to consolidate it by the full integration method.

The following companies were incorporated or wound up in 2023:

- In April 2023, Change Group Estonia OU was wound up in Estonia.
- In May 2023, Cash Re, S.A. was incorporated in Luxembourg.
- In July 2023 Beagle Control (Pty) Ltd. was wound up in South Africa.
- In July 2023, Forex Prosegur Change Limited was wound up in the United Kingdom.
- In July 2023, the company QNet Comunicaciones y Servicios, S.L. was wound up in Spain.
- In July 2023, the company Change Group Czech Republic SRO was incorporated in the Czech Republic.
- In August 2023, the company Imperial Dragon Security Ltd. was wound up in Hong Kong
- In September 2023, the company Changegroup Italy SRL was incorporated in Italy.
- In September 2023, the company Prosegur Change SG Pte Ltd. was incorporated in Singapore.
- In September 2023, the company VN Global Paraguay SA was incorporated in Paraguay.
- In September 2023, the company The Change Group International Cyprus (Ltd) was incorporated in Cyprus.

- In October 2023, Prosegur Global BSI International S.L. was wound up in Spain.
- In October 2023, the company Prosegur BSI España S.L.U. was wound up in Spain.
- In November 2023, the company Prosegur Uruguay BV was wound up in the Netherlands.
- In November 2023, the company Prosegur Finance S.L.U. was wound up in Spain.
- In December 2023, MiDinero Ecuador, S.A. was wound up in Ecuador.
- In December 2023, Prosegur Change Iceland ehf was incorporated in Iceland.
- In December 2023, the company Prosegur Infraestrutura e Tecnologia Ltda. was incorporated in Brazil.

The following mergers took place between subsidiaries in 2023:

- In March 2023, the takeover merger of Prosegur Sistemas Integrales de Seguridad S.A., by Prosegur Vigilancia Activa S.A., was formalised in Argentina, with effect 1 January 2023.
- In March 2023, the takeover merger of Prosegur Seguridad y Vigilancia S.A., by Prosegur Vigilancia Activa S.A., was formalised in Argentina, with effect 1 January 2023.
- In April 2023, the takeover merger of Proservicios S.A. by Proseguridad S.A. was formalised in Peru.
- In April 2023, the takeover merger of RB S.A. by Proseguridad S.A. was formalised in Peru.
- In April 2023, the takeover merger of Reguard Security Corp S.A. by Proseguridad Selva S.A. was formalised in Peru.
- In September 2023, the takeover merger of Prosegur USAP International S.L.U. into Prosegur Gestion de Activos S.L.U. was formalised in Spain, effective as of 1 January 2023.

Finally, the following operations have taken place:

Acquisition of Prosegur AVOS Portugal Unipessoal Ltda

In June 2023, Prosegur AVOS Portugal Unipessoal Ltda, a non-active company, was acquired in Portugal.

Acquisition Grafobel SA

In August 2023, the company Grafobel SA, a non-active company, was acquired in Uruguay.

Capital increase by addition of the operating companies of the transport business in Australia.

As a result of the capital increase carried out in September 2023, through the addition of the operating companies of the transport business in Australia to the Armaguard Group, Prosegur holds a 35% interest in the net assets of the Linfox Armaguard Pty Ltd companies (Note 16):

- a 100% interest in the companies Prosegur Australia Pty Limited, Precint Hub Pty Limited, Armaguard Technology Solutions Pty Ltd, Point 2 Point Secure Pty Ltd;
- 42.49% the company Integrated Technology Services Pty Ltd.

- Armaguard Robotics Pty Ltd, 14.87% indirectly, as this company is 100% owned by Integrated Technology Services Pty Ltd;

Therefore, the companies Prosegur Australia Pty Limited and Prosegur Hub Pty Limited, which at 31 December 2022 were fully consolidated, are consolidated using the equity method at 31 December 2023, as are the other companies resulting from the transaction.

Acquisition of a 16.4% stake in Dinero Gelt S.L.

In July 2023, the Prosegur Group acquired an additional 16.4% stake in Dinero Gelt S.L., reaching an indirect stake of 89.78%.

2.2. Investments

All of the Company's investments are analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, period and yields of the investments before these are approved. Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 600 thousand are submitted to the Executive Committee for approval.

Amortisation and depreciation charges totalled EUR 4,623 thousand in 2023 (2022: EUR 4,619 thousand). Property, plant and equipment accounts for EUR 686 thousand (2022: EUR 681 thousand) and intangible fixed assets EUR 3,937 thousand (2022: EUR 3,938 thousand).

EUR 93 thousand was invested in property, plant and equipment in 2023 (2022: EUR 16 thousand). Investments were not made in intangible assets during 2023 or 2022.

2.3. Personnel

The workforce of the company at the end of 2023 was of 42 employees. At the close of 2022, the workforce of the company was 41 employees.

2.4. Environmental issues

At the end of 2023, the Company has no environment-related contingencies, legal claims or income and expenses relating to the environment.

3. Liquidity and capital resources

3.1. Liquidity

Prosegur 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.

3.2. Capital resources

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

- On 8 February 2023, the Company proceeded to cancel and repay uncovered bonds amounting to EUR 700 million of principal, which matured on that date. The bonds traded in the secondary market, in the Irish Stock Exchange, and accrued an annual coupon of 1.00%, payable at the end of each year.
- On 6 April 2022 an issue of uncovered bonds with a nominal value of EUR 500,000 thousand, maturing on 06 April 2029, was made. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 2.50% 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 issue was made in the Euromarket as part of the Euro Medium Term Note Programme. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.38% payable at the end of each year.
- On 10 February 2017 Prosegur 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 five 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 2023 the balance drawn down from this credit amounts to EUR 65 million (at 31 December 2023 no amount had been drawn down).

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 syndicated financial transactions at the end of 2023.

- 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 2023 and 2022, the balance drawn down amounts to EUR 50,000 thousand.

- On 30 May 2022, Prosegur arranged a credit financing facility for EUR 100,000 thousand for a three-year term. As of 31 December 2022, the balance drawn down amounted to EUR 100,000 thousand.
- On 10 February 2017, it contracted a syndicated loan for EUR 200,000 thousand maturing in 2026. At 31 December 2023, the Company has drawn EUR 65,000 thousand (no amount was drawn from the syndicated loan in 2022).

The net financial debt is reconciled in section 8 of the Directors' Report. In 2023, financial debt had an average cost of 2.89% (1.47% in 2022).

3.3. Analysis of contractual obligations and off balance sheet obligations

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

4. Risk management

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

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

- **Interest rate risk.** 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/loss. 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 2023, our financial liabilities at floating 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 2023, 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, Argentine pesos, Australian dollars and Brazilian reais; the rest is distributed among the other currencies of our countries. Note 25 of the Consolidated Annual Accounts reflects the value of financial liabilities of the Group by currency. And Note 33.1 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 risk.** 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 33.1 of the Consolidated Annual Accounts shows tables of representativeness of the main clients over the overall turnover of the Group.

5. Average payment period to suppliers

The average payment period to suppliers in 2023 was 60 days (2022: 53 days).

6. Important circumstances after the reporting period

Note 24 to financial year 2023 provides a breakdown of the post-closing events that could have a material impact on the presentation of the Annual Accounts.

7. Acquisition and disposal of own shares

At 31 December 2023, the Company holds 13,480,234 shares in Treasury stock (2022: 13,714,507 shares), with an amount estimated at EUR 29,681 thousand (2022: — thousands of Euros).

8. Alternative Performance Measures

In order to comply with ESMA Guidelines on APMs, Prosegur presents this additional information to enhance the comparability, reliability and understanding of its financial reporting. The company presents its profit/loss in accordance with International Financial Reporting Standards (IFRS). 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. Prosegur provides those APMs it deems appropriate and useful for users to make decisions and those it is convinced represent a true and fair view of its financial information.

To this respect it is worthy to mention that in 2023 and 2022 the adjusted EBITA Margin has been identified as the APM as it is considered a more suitable magnitude with which to measure Company performance, in addition to being used by Management to make financial, operating and planning decisions.

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

The reconciliation of Alternative Performance Measures is as follows:

CAPEX (in thousands of Euros)	Note	31.12.2023	31.12.2022
Other installations and furniture	7	—	—
Other property, plant and equipment	7	93	16
Additions of property, plant and equipment		93	16
Additions of computer software	6	—	—
Total CAPEX		107	16

Adjusted EBITA margin (in thousands of Euros)	Note	31.12.2023	31.12.2022
Adjusted EBITA		-44,475	-7,457
Revenue		55,821	84,102
Adjusted EBITA margin	2 Directors' report	-79.67 %	-8.87 %

Net financial debt (in thousands of Euros)	Note	31.12.2023	31.12.2022
Financial liabilities (A)	15	811,737	1,439,230
Less: Cash and cash equivalents (B)	12	23,590	645,967
Less: Other current financial assets (C)	11	348	348
Total Net Financial Debt (A-B-C)		787,799	792,914
Less: Other non-bank borrowings (D)	15	(7,721)	(10,338)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments (A+B+C+D))	3 Directors' report	780,078	782,576

Adjusted EBITA (In thousands of Euros)	Note	31.12.2023	31.12.2022
Profit/loss for the year	2 Directors' report	(72,549)	(33,181)
Income tax	2 Directors' report	(2,233)	(1,111)
Net finance expenses	2 Directors' report	26,370	22,897
Depreciation of intangible assets except computer software	2 Directors' report	3,937	3,938
Adjusted EBITA	2 Directors' report	(44,475)	(7,457)

EBITDA (In thousands of euros)	Note	31.12.2023	31.12.2022
Profit/loss for the year	2 Directors' report	(72,549)	(33,181)
Income tax	2 Directors' report	(2,233)	(1,111)
Net finance expenses	2 Directors' report	26,370	22,897
Total depreciation and amortisation	2 Directors' report	4,623	4,619
EBITDA	2 Directors' report	(43,789)	(6,776)

9. Stock market information

Share evolution

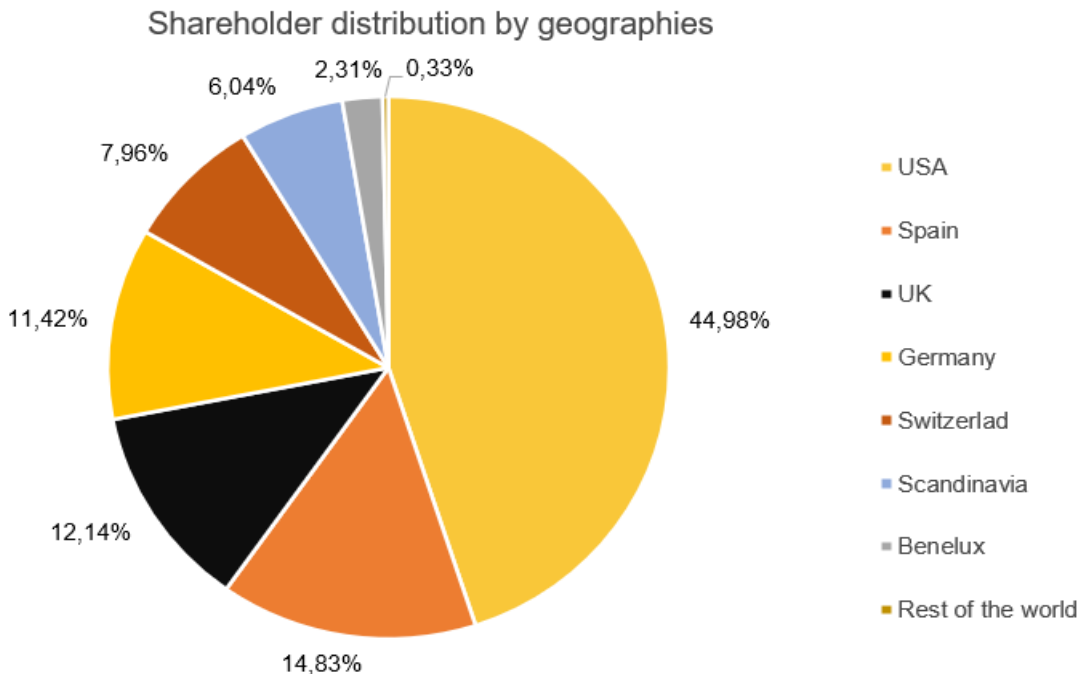
Undoubtedly, 2023 was a year defined by uncertainty and volatility. Both circumstances affected Prosegur's share price. It started the year trading at EUR 1.78 per share and closed at EUR 1.76 on 31 December. All of this is taking place in a highly complex geopolitical situation, where the war in Ukraine, now in its second winter, is joined by the conflict in Palestine and the risk of destabilisation in the Middle East. In this environment, one of the consequences is political instability and the energy crisis. Despite this adverse environment, the share price fell only slightly (1.12%).

The trajectory has gone through several moments. The stock performed positively in the first two months of 2023. And although the results obtained during the year could be considered good, Prosegur's stock ended up suffering the impact of this environment of socio-political and macroeconomic instability, generating a downward trend in the share price.

This negative inertia changed in the third quarter, with the announcement of the voluntary cash tender offer launched by Gubel, S.L., for an additional 15% of the company at EUR 1.83 per share. This move ensured that the price has remained stable, with one exception, the correction due to the dividend discount.

Geographical distribution of free float

Excluding the significant stakes corresponding to Gubel, S.L., AS Inversiones and treasury stock, representing 68.57% of the share capital y the remaining 31.43% (excluding the treasury stock) of the Prosegur shareholding structure is geographically distributed as follows:



The company's shareholding is characterised by its notable internationalisation, owing to its strong growth and geographic diversity. This is why Prosegur has historically enjoyed widespread acceptance among funds of the main investment markets. There have been no significant changes to shareholdings in 2023 compared to 2022, but it is true that greater interest has been detected by more European institutional investors. Above all, those located in Benelux and Scandinavia.

The geographic distribution of the shareholders reflects strong presence of the United States and the United Kingdom, countries with the largest financial markets and, in turn, the largest funds aimed at long term investments. After the British investors, Spain, Scandinavia, Switzerland and the Netherlands is where the European shareholders of greatest influence are concentrated. On the other hand, the Asian and LatAm markets scarcely amount to 1% of the Prosegur shares.

Relative to investors

It is Prosegur's commitment to generate value for its shareholders, as well as to improve the results and transparency. Within this framework, our policy for relations with company shareholders and investors is fundamental. The goal is to create communication channels that are direct, personal and stable over time.

To do so, Prosegur uses resources such as a quarterly webcast to inform on its profit/loss, an Investors' Newsletter or the regular publication of informative content expressly targeted at investors. The pandemic consolidated a certain degree of restriction to personal contact, but has not prevented the Group from maintaining strict and permanent contact with shareholders, private and institutional investors or stock market analysts.

In practice, this year Prosegur has been in contact, either in person or remotely, with over 100 investment funds and 15 brokerage firms. It has further participated in 11 sectoral conferences and started five international roadshows.

Among the recurrent queries to which the Group has responded during 2023, those regarding environmental, social and governance (ESG) criteria are worthy of mention, an aspect that has acquired firm commitments in our company and which are showing tangible results, as illustrated by our integration in the main ESG international assessments or by the fact that we form part of the FTSE4Good Ibx and BME IBEX ESG indices. One of the major concerns of today's investors is the impact on the environment or governance. It is logical, therefore, that the large volume of queries received by Prosegur should be based on the world of sustainability.

Coverage of analysts and recommendations

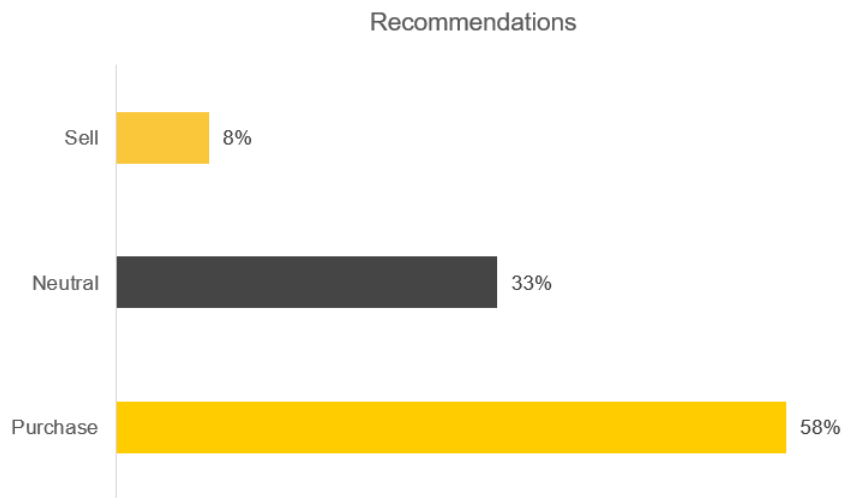
The European Union is increasingly generating more and more legislation affecting business activities. In fact, the regulatory effects of the MIFID2 regulations (a common area unifying financial services in EU countries, whose basic principles are security, efficiency and transparency of markets to protect investors) have been felt in a very obvious way in the last 12 months. Especially in the Spanish market.

In what way? Its liquidity has been drastically reduced. The consequence is that many brokers have opted to restructure their portfolios and have eliminated coverage of companies with low liquidity. In this situation, some have been forced to close down.

In 2023, the company lost coverage from Bank of America, along with UBS. This fluctuation, common in financial markets, does however leave a large group of firms covering Prosegur. As of today, the companies that follow the organisation form a large group, comprised of Goldman Sachs, Exane BNP, ODDO BHF, Kepler Cheuvreux, Santander, CaixaBank BPI, Bestinver, Alantra Equities, JB Capital Markets, Mirabaud, GVC Gaesco and Renta 4.

At a time when the stock market is suffering, the companies that recommend buying Prosegur shares belong to the select club of those with the highest and best reputation in Spain and Europe. It is, at the same time, a logical consequence of the quality information and the high level of distribution that Prosegur offers its investors.

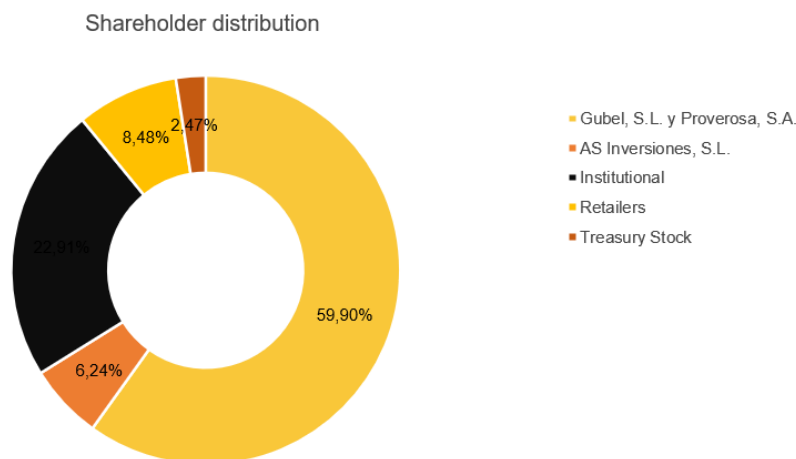
The experts' analysis of the company's shares has one thing in common: the valuation of Prosegur's shares is generally very positive. At the close of trading this year, 11 out of 12 brokerages recommended holding the stock. As of 31 December 2023, seven brokerages advised buying the stock and four favoured a neutral valuation.



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 this time, 68.61% of Prosegur's capital is held by significant shareholders, made up of the 59.90% stake held by Gubel S.L. and Proverosa S.A., the 6.24% stake held by A.S. Inversiones S.A. and the 2.47% stake in Prosegur's treasury stock. The remaining 31.39% is free float.

How to read these numbers? First, they reveal a strong presence in the shareholding of the Board of Directors. This is a huge advantage, as the management bodies can define strategic lines and make decisions in the best interests of all shareholders. A strong and stable shareholding is also a solid scaffolding. Prosegur is largely composed of significant shareholders and institutional investors. The best travelling companions for the company to develop its projects and achieve its objectives.



10. Statement of Non-financial Information

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

STATEMENT OF RESPONSIBILITY FOR THE ANNUAL FINANCIAL REPORT OF 2023

The members of the Board of Directors of Prosegur Compañía de Seguridad, S.A. hereby confirm that, to the best of our knowledge, the individual Annual Accounts of 2023, authorised for issue by the Board of Directors at the meeting held on 28 February 2024 and prepared in accordance with applicable accounting principles and the European Unique Electronic Format, present fairly the equity, financial position and profit/loss of Prosegur Compañía de Seguridad, S.A., and that the respective individual Directors' Reports provide a reliable analysis of the Company's performance and results and the position of Prosegur Compañía de Seguridad, S.A., together with the main risks and uncertainties facing the Company.

Madrid, 28 February 2024.

Ms Helena Revoredo Delvecchio
President

Ms Isela Costantini
Director

Mr Christian Gut Revoredo
Vice President and Managing Director

Mr Fernando D'Ornellas Silva
Director

Ms Chantal Gut Revoredo
Director

Mr Ángel Durández Adeva
Director

Mr Fernando Vives Ruiz
Director

Ms Natalia Gamero del Castillo
Director

Mr Rodrigo Zulueta Galilea
Director

DIRECTORS' RESPONSIBILITY OVER THE ANNUAL ACCOUNTS

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

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

The Company evaluated its internal control system at 31 December 2023. 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

Global Finance Director

