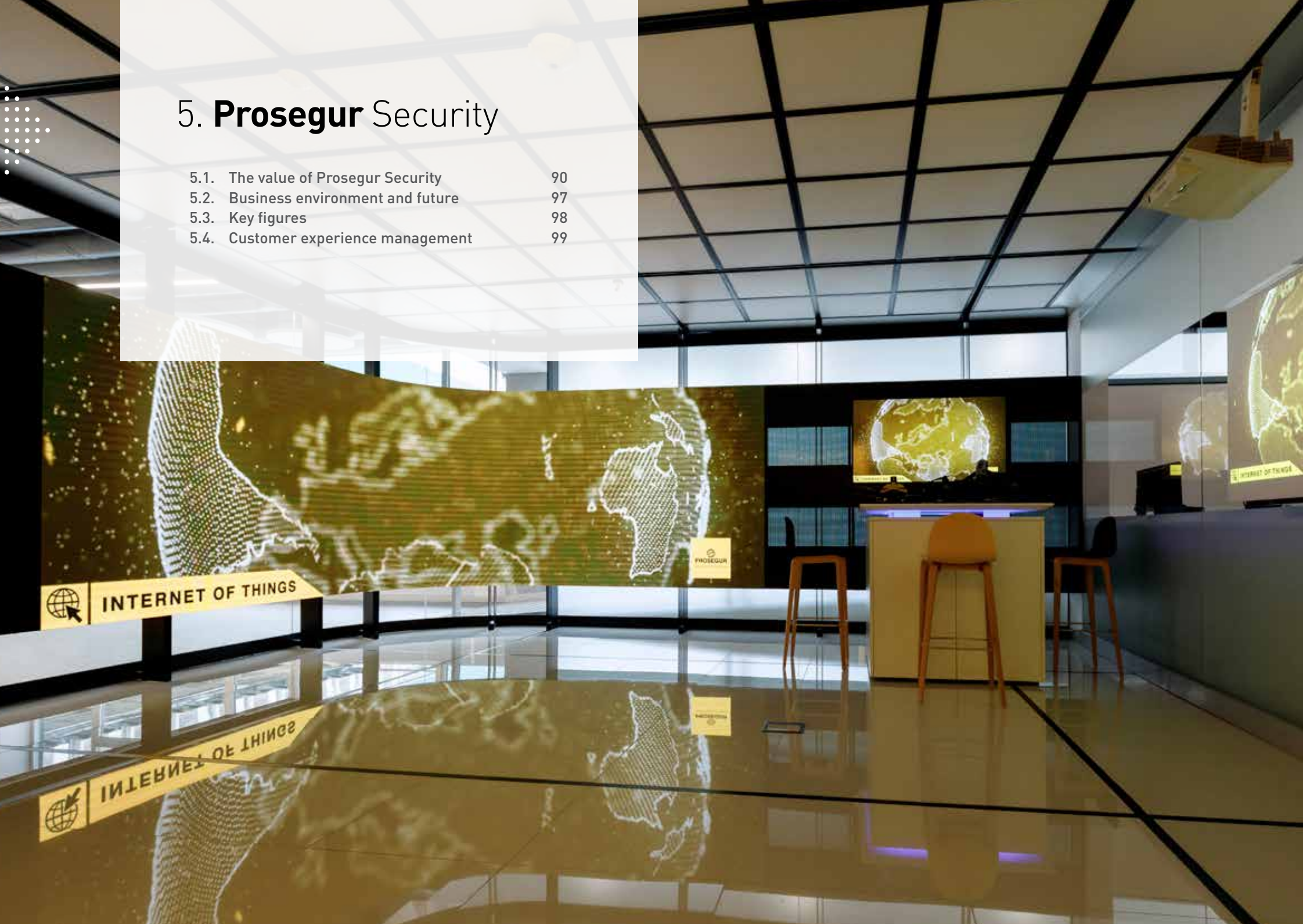


5. Prosegur Security

5.1. The value of Prosegur Security	90
5.2. Business environment and future	97
5.3. Key figures	98
5.4. Customer experience management	99



5.1. The value of Prosegur Security

Prosegur Security, the Prosegur business line encompassing manned guarding, technology and cybersecurity, provides to its customers integrated security solutions with strong added value, with a design grounded on deep knowledge of each activity sector, and placing the emphasis on the real needs of each project. These solutions are designed based on an initial risk and vulnerabilities analysis, providing a better gauge of the existing level of security and helping to identify improvement opportunities.

Prosegur Security projects are based on planning that ranges from the design stage through to implementation, and subsequently covers the entire lifecycle. Each solution is based on the combination of highly qualified human resources with state-of-the-art proprietary technology, ensuring

the efficacy of the resources employed, improved security levels and process standardisation.

Integrated security solutions are adapted to the realities of each activity sector, while being incorporated within the customer value chain and helping to drive improved service quality. The result is a security product with strong added value and that is optimised for the customer's requirements. Prosegur Security, thanks to its expertise and proven experience in security, represents a guarantee of excellence, efficiency and efficacy. The company places the customer at the heart of its strategy, providing them with support through all stages of the process: analysis, study, consultancy, planning, implementation, management, coordination and supervision of processes and procedures.



The customer-centric Prosegur Security project targets are as follows:



- > Identifying the real requirements of the sector and the specific customer.
 - > Empathising with the customer's needs and objectives, seeking to build a relationship of trust and manage their expectations.
 - > Seeking operating excellence with a solution grounded on their requirements, while guaranteeing efficiency and quality.
- > Integrating the solution within the customer's value chain.
 - > Executing efficient implementation, with maintenance and monitoring to ensure a lasting solution that is updated over time.
 - > The integral solution is presented in a single offer and executed in a single contract, provided that prevailing legislation in the country so permits, meaning optimal procedural management for the customer.

During 2018 the Prosegur Security business registered a positive performance in the markets of Spain and Portugal. Singapore also stood out, with exponential improvements to business figures. While elections

in Brazil curbed the margins recovery in said market. Internationally, the most significant event of the last quarter was the company's entrance into the United States, the largest private security market in the world.

Prosegur has made several acquisitions in physical security, technology and cybersecurity, helping to focus Prosegur Security's growth in this market via the development of integrated security solutions.

Prosegur Integra

Prosegur Security's range of solutions is based on the Prosegur Integra concept. The company thus adds value to the services that it provides, ensuring greater security levels and allowing customers to adapt security services to their specific needs.

Prosegur Integra has enjoyed strong take-up in mature markets. During 2018 an expansion plan into emerging markets was launched, driven by a sales force training plan and efforts to strengthen technological security system deployment, maintenance and monitoring capabilities in those countries where the same was deemed necessary.



Principal goal of Prosegur Integra

To be one of the chief drivers of change to transform the existing business model



FOR THE CLIENT

- › Improving service quality
- › Maintaining or reducing existing budgets
- › Avoiding budget growth through investments in technology
- › Gauging service effectiveness
- › Generating digital management data
- › Optimising the value of investment in security



FOR PROSEGUR

- › Competitive differentiation
- › Improved business margins
- › Consolidating long-term contractual relations
- › Competing and avoiding customer loss based on pricing
- › Demonstrating global operating quality
- › Generating real and tangible value for the value chain
- › Implementing differential transformation products

Main Prosegur Security services



Security consulting

Audits and Emergency Management

- > Security Audits and Assessments
- > Emergency and Assessments Management (PRL)

Projects

- > Equity Security
- > Information Security
- > Business Continuity and Critical Infrastructure



Internacional security

Prosegur provides and **International Security and Analysis Service**. Prosegur analyses **the risks inherent in specific projects overseas**, conducts security diagnostics and produces geopolitical and security reports on third countries while monitoring identified risks overtime.



Auxiliary services

Prosegur provides an effective response to the specific needs of its clients by way of multi-sector solutions and **resources, such as receptionists, hostesses, shop and warehouse auxiliaries, inventory controllers, fire safety and emergency auxiliaries, airport staff, etc.**



Manned guarding

- > On-site manned guarding
- > Continual manned guarding
- > Cargo tracking and custody
- > Mobil manned guarding
- > Assets and personel location and tracking (Indoors, iTrack))



Cibersecurity

Prosegur has developed a service line centred on managing cybersecurity, including **prevention, detection, analysis and continuous response to cybersecurity risks.**



Close protection

Prosegur's **expert close protection officers** are fully qualified, trained and prepared to ensure the security of the protected person in his/her environment



Drones

Drone Services in a pioneering security service that supplements other services, which Prosegur presents in three modes: **Indoor Drones, Outdoor Drones and Countemeasueres.**



COMPREHENSIVE SECURITY: SUCCESS CASE STUDY: ONE-NORTH

Prosegur Security and Jurong Town Corporation (JTC) reached an agreement in late 2018 to provide a comprehensive security solution at the One-North business Park, a research and innovation hub in Singapore. The contract had an initial term of five years, extendable by a further five years, during which Prosegur Security has provided and will continue to implement a Prosegur Integra solution at 24 of the facility's buildings. The medium-term objective is to deploy 82 guards in the first

year, with these being reduced to 60 in the second year once the control centre designed by the company is set up.

Prosegur Security will establish a mobile guarding force, which will be active in various timeframes, with a proposal from Drone Services to perform this task currently under study. The company has established a fund of one million Singapore dollars to be invested in the JTC Security Laboratory, the products of which will be tested at One-North, to subsequently be deployed at other properties.

Cybersecurity

One differentiating factor for Prosegur Security is its standing as a provider of comprehensive security services, including protection against all kinds of risks, both physical and cybernetic. The company's long track record in physical protection at all levels enables it to provide a full-feature security offering. This is particularly beneficial at a time when the

two domains – digital and physical – are converging. Thus, in response to the increasing number and sophistication of cyberattacks, with potential to inflict serious losses on companies, Prosegur has developed a service line focusing on cybersecurity management, including prevention, detection, analysis and continual response to cybernetic risks.

ACQUISITION OF CIPHER

Towards the end of 2018 Prosegur reached a deal to acquire a majority stake in Cipher, a leading cybersecurity firm operating in North America, Latin America and Europe. This acquisition has been central to driving Prosegur Security's expansion into new regions, as well as consolidating operations in existing markets, with a particular focus on the United States, the world's largest cybersecurity market.

Founded in 2000, Cipher offers a comprehensive range of managed security and security consultancy services. Said range is

based on the experience garnered by an industry-leading security intelligence laboratory, called Cipher Intelligence. The company has also developed a range of consultancy services, which will be integrated with Prosegur's existing skill sets to create a global intelligence division with more extensive and robust capabilities. Cipher has been acknowledged by various consultancy firms as one of the global leaders in managed security services, driven by its two 24/7 operational Security Operations Centres (SOCs).

The company has its own specialist IT security team. As of 2019 this will operate under the Cipher brand, standing ready to respond to any kind of attack. Likewise, it has six SOCs (Security Operations Centres) located in Brazil, Colombia, Spain, United States, Paraguay and Portugal. It is officially certified as a Computer Emergency Response Team (CERT), while also holding ISO 27001 standard certification. These standards guarantee that the cybersecurity team is ready to respond to any threat to businesses in digital environments. As a CERT-certified company, Prosegur can immediately and

efficiently respond to cyberattacks in an organised manner. The team likewise holds leading industry certifications: CISM (Certified Information Security Manager), CRISC (Certified in Risk and Information Systems Control), CISC (Certified Information Systems Control), CISA (Certified Information Systems Auditor), CEH (Certified Ethical Hacker), and more. Prosegur also joined the Forum of Incident Response and Security Teams (FIRST), a leading international network for incident response teams. As a member of FIRST, Prosegur is committed to providing the finest cybersecurity services.

5.2. Business environment and future

Security has been a primary necessity of individuals and organisations throughout history. The assets requiring protection have evolved unstoppably, as have the risks and diversity of environments in which society operates, giving rise to new security needs. Furthermore, all organisations seek optimisation and cost streamlining in order to maximise profits and improve competitiveness, without eroding service quality.

Thus, new models are increasingly necessary, incorporating all the opportune factors to achieve a fresh and revolutionary means of providing security. Prosegur is a keen watcher of new security threats worldwide, including those associated with international terrorism and natural disasters. The company is committed to generating prevention systems that help to anticipate such events and provide an optimal response.

Factors driving changes to the traditional manned guarding model

- > New technological developments
- > New attack models
- > The primary cost saving and investment efficiency objectives of each company
- > The need to create a combined vision of technology and individuals on a unitary basis

In this global scenario, Prosegur Security has identified a series of general objectives, focused on extracting optimal value from new technologies in order to address more exacting customer demands.

New challenges and needs

- > The constant need to evolve and adapt business according to technological progress
- > The digital transformation of businesses
- > Comprehensive Security against any type of attack (physical or virtual)
- > Cost containment

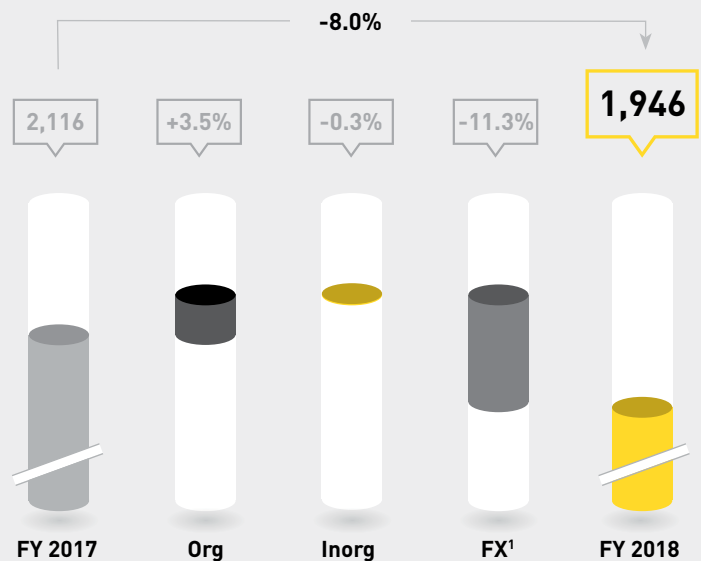


5.3. Key figures

Prosegur Security posted revenues of EUR 1,946 million, 8.0 percent down on 2017, although in local currency terms there was an uptick of 3.2 percent. Likewise, growing sales of integrated security solutions made a positive contribution during the period, representing 23 percent of total revenues. In terms of profitability, the unit reported EBIT of EUR 54 million, down from EUR 66 million in 2017, while the EBIT margin stood at 2.8 percent.

Sales

(In millions of euros)

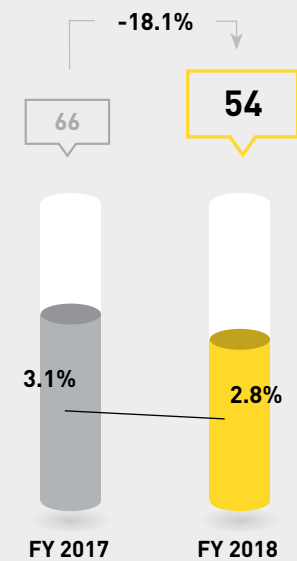


Optimisation of the customer portfolio caused isolated impairment to organic growth.

¹ Includes FX impact and IAS 21 and 29.

EBIT² & Margin

(In millions of euros)



Profitability was affected by the Brazilian economic slowdown and Latin American FX.

² Profitability for Security excluding overhead costs.

— EBIT Margin

■ EBIT



5.4. **Customer** experience management

Prosegur Security strives at all times to deliver on the expectations of each of its customers and provide personalised care, based chiefly on transparency and a comprehensive 360° model covering all customer requirements.

These values are conveyed by all employees, particularly those in direct contact with customers (sales team, installation technicians, customer care staff and guards).

In recent years a B2B platform has been deployed to monitor the company's main customers, which account for around 40 percent of total turnover for the business unit. The aim is to ensure that all requirements are duly addressed, while providing the required levels of traceability.

Likewise, Prosegur Security has driven the development of the CEM Customer Experience platform, launched in 2016, the aim of which is to identify means of further improving service quality.

The top level contact points on the Prosegur Security customer journey include the sales experience, service provision experience and overall experience, each with specific associated indicators

During 2018 Prosegur was selected to provide security services at major events, including the 2018 Copa CONMEBOL Libertadores final held in Madrid, Spain, and the G20 summit in Buenos Aires, Argentina.