Condensed interim consolidated financial statements for the six-month period ended 30 June 2023

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

Prosegur Cash, S.A. y sociedades dependientes

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I. CONSOLIDATED INCOME STATEMENT – EXPENSE BY FUNCTION

(In thousands of Euros)	Note	Six month period ended 30 June 2023	2022
Revenue	9	979,132	883,215
Cost of sales	5, 6	(634,960)	(584,087)
Gross profit/(loss)		**344,172**	**299,128**
Other income	7	1,285	1,611
Administration and sales expenses	5, 6	(225,910)	(190,478)
Other expenses	7	(2,485)	(1,426)
Equity accounted for using the equity method	11	(749)	(233)
Operating profit/(loss) (EBIT)		**116,313**	**108,602**
Financial income	8	5,024	12,875
Financial expense	8	(49,663)	(39,514)
Net financial expenses		(44,639)	(26,639)
Profit/(loss) before tax		**71,674**	**81,963**
Income tax	19	(34,403)	(38,487)
Post-tax profit of ongoing operations		**37,271**	**43,476**
Consolidated profit/(loss) for the period		**37,271**	**43,476**
Attributable to:			
Owners of the parent		37,305	43,744
Non-controlling interests		34	268
Proceeds per share from ongoing operations attributable to the owners of the parent company (Euros per share)			
- Basic	16.4	0.03	0.03
- Diluted	16.4	0.03	0.03

Notes on pages 10 to 47 form an integral part of these condensed interim consolidated financial statements.

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands of Euros)	Six month period ended 30 June	
	2023	**2022**
Profit/(loss) for the period	**37,271**	**43,476**
Other comprehensive income:		
Items that are going to be reclassified to profit/(loss)		
Translation differences for foreign operations	16,924	80,966
	16,924	**80,966**
Total comprehensive income for the period, net of tax	**54,195**	**124,442**
Attributable to:		
- Owners of the parent	54,229	124,710
- Non-controlling interests	(34)	(268)
	54,195	**124,442**

Notes on pages 10 to 47 form an integral part of these condensed interim consolidated financial statements.

III. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euros)	Note	30 June 2023	31 December 2022
ASSETS			
Property, plant and equipment	10	376,366	355,564
Goodwill	10	443,112	448,507
Rights of use	10	104,963	96,955
Other intangible assets	10	235,020	238,320
Investments accounted for using the equity method	11	10,514	9,558
Non-current financial assets	11	27,164	24,108
Deferred tax assets		60,824	56,555
Non-current assets		**1,257,963**	**1,229,567**
Inventories	14	30,593	20,147
Clients and other receivables		353,760	317,965
Receivables with Prosegur Group	22	63,484	59,432
Current tax assets		37,358	57,981
Other financial assets	12	5,666	7,928
Cash and cash equivalents	13	267,728	315,648
Non-current assets held for sale	15	93,610	121,413
Current assets		**852,199**	**900,514**
Total assets		**2,110,162**	**2,130,081**
EQUITY			
Share capital	16	30,459	30,459
Share premium	16	33,134	33,134
Own shares	16	(31,579)	(25,874)
Translation differences		(603,274)	(620,198)
Retained earnings and other reserves		768,935	731,111
Equity attributed to holders of equity instruments of the parent company		**197,675**	**148,632**
Non-controlling interests		(500)	(508)
Total equity		**197,175**	**148,124**
LIABILITIES			
Financial liabilities	18	820,930	827,157
Long-term lease liabilities	10	79,585	78,252
Deferred tax liabilities		82,124	81,525
Provisions	17	149,382	137,703
Non-current liabilities		**1,132,021**	**1,124,637**
Suppliers and other payables		335,757	347,078
Current tax liabilities		62,135	88,847
Financial liabilities	18	185,434	208,754
Short-term lease liabilities	10	33,213	29,490
Payables with Prosegur Group	22	100,200	90,854
Provisions	17	178	182
Other current liabilities		12,513	8,758
Liabilities associated with non-current assets held for sale	15	51,536	83,357
Current liabilities		**780,966**	**857,320**
Total liabilities		**1,912,987**	**1,981,957**
Total equity and liabilities		**2,110,162**	**2,130,081**

Notes on pages 10 to 47 form an integral part of these condensed interim consolidated financial statements.

IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIOD ENDED 30 JUNE 2023

(In thousands of Euros)	Equity attributed to holders of equity instruments of the parent company						Non-controlling interests	Total equity
	Capital (Note 16)	Share premium (Note 16)	Own shares (Note 16)	Translation differences	Retained earnings and other reserves	Total		
Balance at 1 January 2023	**30,459**	**33,134**	**(25,874)**	**(620,198)**	**731,111**	**148,632**	**(508)**	**148,124**
Total comprehensive income for the period ended 30 June 2023	—	—	—	16,924	37,305	54,229	(34)	**54,195**
Accrued share-based incentives	—	—	74	—	—	74	—	**74**
Purchase of own shares	—	—	(5,779)	—	—	(5,779)	—	**(5,779)**
Other changes	—	—	—	—	519	519	42	**561**
Balance at 30 June 2023	**30,459**	**33,134**	**(31,579)**	**(603,274)**	**768,935**	**197,675**	**(500)**	**197,175**

Notes on pages 10 to 47 form an integral part of these condensed interim consolidated financial statements.

PERIOD ENDED 30 JUNE 2022

(In thousands of Euros)	Equity attributed to holders of equity instruments of the parent company						Non-controlling interests	Total equity
	Capital (Note 16)	Share premium (Note 16)	Own shares (Note 16)	Translation differences	Retained earnings and other reserves	Total		
Balance at 1 January 2022	**30,459**	**33,134**	**(14,282)**	**(649,038)**	**676,928**	**77,201**	**(969)**	**76,232**
Total comprehensive income for the period ended 30 June 2022	—	—	—	80,966	43,744	124,710	(268)	124,442
Accrued share-based incentives	—	—	35	—	274	309	—	309
Purchase of own shares	—	—	(9,453)	—	—	(9,453)	—	(9,453)
Other changes	—	—	—	—	(353)	(353)	(211)	(564)
Balance at 30 June 2022	**30,459**	**33,134**	**(23,700)**	**(568,072)**	**720,593**	**192,414**	**(1,448)**	**190,966**

Notes on pages 10 to 47 form an integral part of these condensed interim consolidated financial statements.

V. CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of Euros)	Note	Six month period ended 30 June 2023	Six month period ended 30 June 2022
Cash flows from operating activities			
Profit/(loss) of the period		**37,271**	**43,476**
Adjustments for:			
Depreciation and amortisation	5, 10	65,303	61,703
Impairment losses on trade receivables and inventories	7	(1,888)	(656)
Investments accounted for using the equity method		749	233
Changes in provisions	17	5,757	14,205
Financial income	8	(10,556)	(20,525)
Financial expense	8	49,663	39,514
Income tax	19	34,403	38,487
Other income		-	273
Changes in working capital, excluding the effect of acquisitions and translation differences			
Inventories		(12,611)	(6,594)
Clients and other receivables		(38,937)	(32,359)
Suppliers and other payables		(10,080)	(26,271)
Payments of provisions	17	(4,916)	(5,086)
Other liabilities		1,046	3,418
Cash generated from operations			
Interest payments		(12,206)	(10,571)
Income tax paid		(44,074)	(47,765)
Net cash generated from operating activities		**58,924**	**51,482**
Cash flows from investing activities			
Interest received		10,202	1,930
Purchase of subsidiaries, net of cash and cash equivalents		—	(5,810)
Payments for transactions with associates	11	(1,808)	(3,553)
Payments for the purchase of property, plant and equipment	10	(42,624)	(23,925)
Payments for the purchase of intangible assets	10	(4,497)	(3,580)
Payments for the purchase of financial assets	12	2,252	(2,368)
Proceeds from the sale of property, plant and equipment		—	—
Net cash generated from investing activities		**(36,475)**	**(37,306)**
Cash flows from financing activities			
Payments from the issue of own shares and equity instruments	16	(5,705)	(9,418)
Proceeds from debts with credit institutions		87,759	126,147
Payments from debts with credit institutions		(107,684)	(77,636)
Payments from other debts		(13,030)	(6,671)
Payments from lease liabilities		(23,230)	(18,868)
Paid dividends	4, 16	(19,258)	(14,805)
Net cash generated from financing activities		**(81,148)**	**(1,251)**
Net increase (decrease) in cash and cash equivalents		(58,699)	12,925
Cash and cash equivalents at the beginning of the year		384,587	250,804
Effect of exchange differences on cash		(20,343)	7,704
Cash and equivalents at the end of the year		**305,545**	**271,433**
Cash and cash equivalents at the end of the period of ongoing operations		267,728	231,440
Cash and cash equivalents at the end of the period of ANMVs	15	37,817	39,993

Notes on pages 10 to 47 form an integral part of these condensed interim consolidated financial statements.

VI. EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Prosegur Cash is a business group made up of Prosegur Cash, S.A. (hereinafter “the Company”) and its subsidiaries (together, Prosegur Cash or Cash Group) which provides securities logistics, cash in transit and other value-added services in the following countries: Spain, Portugal, Germany, Luxembourg, the United Kingdom, Sweden, Finland, Denmark, France, Austria, the United States, Argentina, Brazil, Chile, Peru, Uruguay, Paraguay, Colombia, Nicaragua, Honduras, El Salvador, Guatemala, Costa Rica, Ecuador, Mexico, the Philippines, Indonesia, India and Australia.

Prosegur Cash is organised into the following geographical areas:

- Europe.
- LatAm.
- Rest of the world (AOA)

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

- Transport
- Cash management
- New products

Prosegur Cash, S.A. is a subsidiary controlled by the Spanish company Prosegur Compañía de Seguridad, S.A. (hereinafter, Prosegur or the Prosegur Group), which currently owns 79.42% of its shares. Accordingly, the Prosegur Group consolidates the Prosegur Cash Group in its financial statements. The registered offices of Prosegur Cash, S.A. are at Calle Santa Sabina, 8, Madrid (Spain).

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid and holds 59.8% of the shares of Prosegur Compañía de Seguridad, S.A., which consolidates Prosegur in its consolidated financial statements.

The corporate purpose of Prosegur Cash is to provide the following services through companies focusing on the Cash business:

(i) national and international transport services (by land, sea and air) of funds and other valuables (including jewellery, artworks, precious metals, electronic devices, voting ballots, legal evidence), including collection, transport, custody and deposit services;

(ii) processing and automation of cash (including counting, processing and packaging, as well as coin recycling, cash flow control and monitoring systems);

(iii) comprehensive ATM and network management solutions (including planning, loading, monitoring, first- and second-tier maintenance and balancing services);

(iv) cash planning and forecasting for financial institutions;

(v) Cash-Today (including cash machines, cash deposit machines, recycling and coin and bill dispensing services);

(vi) Added-value outsourcing services (AVOS) in several countries for banks (including outsourcing of teller services, multi-agency services, cheque processing and related administrative services).

(vii) Correspondent banking activities (collection and payment management and payment of invoices, among others) and

(viii) Foreign exchange and currency services (also includes international payment services, online foreign money, home delivery services for travel money and local cash);

The individual and consolidated annual accounts of Prosegur Cash, S.A. for 2022 were approved by the Shareholders General Meeting of 6 June 2023.

Structure of Prosegur Cash

Prosegur Cash, S.A. is the parent company of a Group made up of subsidiaries, listed in Appendix I of the Notes to the Consolidated Annual Accounts at 31 December 2022. Likewise, Prosegur Cash has Joint Arrangements in place (Note 15 and Appendix II of the Notes to the Consolidated Annual Accounts at 31 December 2022).

Details of the principles applied to prepare the Prosegur Cash Consolidated Annual Accounts and define the consolidation scope are provided in Note 33.2 and Note 2 to the Consolidated Annual Accounts at 31 December 2022.

2. Basis for presentation, estimates made and accounting policies

These condensed interim consolidated financial statements of Prosegur Cash, for the six-month period ended 30 June 2023, have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

In accordance with the provisions of IAS 34, interim financial reporting is prepared solely with the intention of updating the content of the latest Consolidated Annual Accounts prepared by Prosegur Cash, emphasising the new activities, events and circumstances that occurred during the six-month period ended 30 June 2023, and not duplicating the information previously published in the Consolidated Annual Accounts for 2022.

Therefore, and for a proper understanding of the information included in these condensed interim consolidated financial statements, they should be read together with Prosegur Cash Consolidated Annual Accounts for the year ended 31 December 2022, which were prepared in accordance with International Financial Reporting Standards (IFRS), adopted for use in the European Union and approved by the current European Commission Regulations and other applicable financial reporting regulations (IFRS-EU).

Significant changes in accounting policies

Except for the rest of the new standards and interpretations effective as of 1 January 2023, described in Appendix I, the accounting policies applied in these condensed interim consolidated financial statements at 30 June 2023, are consistent with those applied in the preparation of Prosegur Cash Consolidated Annual Accounts at 31 December 2022, the detail of which is included in Note 33 of said Consolidated Annual Accounts.

Estimates, assumptions and relevant judgements

The preparation of the condensed interim consolidated financial statements, in accordance with IFRS-EU requires the application of relevant accounting estimates and the undertaking of judgements, estimates and assumptions in the process for application of the Prosegur Cash accounting policies and valuation of the assets, liabilities and profit and loss.

Corporate Income Tax for the six-month period ended 30 June 2023 is calculated using the effective tax rate that is estimated to be applicable to the profit/(loss) for the year.

Comparative information

For comparative purposes and for each item in the consolidated statement of financial position, in the consolidated income statement, in the consolidated statement of comprehensive income, in the consolidated statement of cash flows, in the consolidated statement of changes in equity and in the notes to the condensed interim consolidated financial statements, in addition to the consolidated figures for the six-month period ended 30 June 2023, the condensed interim consolidated financial statements show those for the same period of the previous year, except for the consolidated statement of financial position which shows the consolidated figures for the twelve-month period ended 31 December 2022.

3. Changes to the Group's structure

In Appendix I to the Consolidated Annual Accounts for the year ended 31 December 2022, relevant information is provided on the Group companies that were consolidated at that date.

During the first half of 2023:

- In May 2023, Cash Re, S.A. was incorporated in Luxembourg.
- In April 2023, Change Group Estonia OU was wound up in Estonia.

4. Events occurred since the end of 2022

In addition to what is reflected in Note 3 on the changes to the structure of the Group, the most relevant transactions and events that occurred during the first half of 2023 are detailed below:

Macroeconomic risks

Unrest in the international geopolitical situation, largely caused by the Russian Federation's military invasion of Ukraine, continues to trigger inflationary pressures on commodity prices, energy prices and foreign exchange rates. The central banks have therefore withdrawn most of the monetary stimuli and have been aggressively increasing interest rates since the second half of 2022.

Despite this background of uncertainty, the impact on the Group's consolidated financial statements continues to be rather insignificant, due to:

- inflationary impacts are being partially offset by trade flows, reflecting the increase in energy costs in the prices of the services provided by the Group;
- the impacts of rising interest rates are being partially mitigated by the Group's financing structure, which includes a large percentage of fixed-rate debt.

Sustainability

These condensed interim consolidated financial statements have been prepared taking into account the provisions of the informative documents issued by the International Accounting Standards Board (IASB) in November 2020 and in July 2023, which include information requirements in relation to climate change.

In this regard, the Cash Group 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, the Cash Group 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 the Cash Group over the last five years in these areas have focused, primarily, on strengthening the environmental responsibility of the Group'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.

With this framework in mind, the Cash Group has invested approximately EUR 6,981 thousand between 2018 and 2022. During the first six months of 2023, approximately EUR 1,551 thousand has been invested, which represents a growth of 33% compared to the investment made in the same period of the previous financial year.

In terms of the environment, the Cash Group is committed to reducing its emissions in both the medium and long term. This is despite the fact that, as the Cash Group'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.

The Cash Group'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, 27 April 2021.
- Approval by the Board of Directors, at its meeting on 27 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 Group 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 a 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”, the Cash Group 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.

Lastly, 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.

Corporate operations

Prosegur Cash operates in Australia developing the transport, cash management and new products line of activity.

During July 2022, the Group entered into an agreement with a third party to merge the cash in transit and cash management and ATM businesses, and proceeded to disclose the transaction to the Australian Competition and Consumer Commission, whose approval was required for the operation.

On 13 June 2023, the Australian Competition and Consumer Commission announced its approval of the merger of the businesses of Prosegur Australia and the third party.

The finalisation of the operation remains subject to the fulfilment of certain conditions precedent which are expected to be met in the coming weeks (Note 15).

The transaction will take the form of a capital increase through the contribution of the Cash Group companies in Australia to Armaguard Group, the Cash Group’s main competitor in Australia. The resulting set of companies will be structured as a separate vehicle in which the Cash Group will hold 35% of its net assets. As a result, the Cash Group will classify this investment as a Joint Venture and record it using the equity method.

5. Cost of sales and administration and sales expenses

The main cost of sales and administration and sales expenses in the consolidated income statement for the six-month periods ended 30 June 2023 and 2022 are as follows:

		Thousands of Euros Period ended 30 June	
		2023	**2022**
Supplies		35,570	29,176
Employee benefits expenses	(Note 6)	415,483	380,320
Operating leases		5,535	6,199
Supplies and external services		94,671	86,472
Depreciation and amortisation		26,658	25,105
Other expenses		57,043	56,815
Total cost of sales		**634,960**	**584,087**

		Thousands of Euros Period ended 30 June	
		2023	**2022**
Supplies		1,038	705
Employee benefits expenses	(Note 6)	62,710	53,782
Operating leases		15,893	1,484
Supplies and external services		35,457	29,442
Depreciation and amortisation		38,645	36,598
Other expenses		72,167	68,467
Total administration and sales expenses		**225,910**	**190,478**

Total supplies in the consolidated income statement for the six-month period ended 30 June 2023 amount to EUR 36,608 thousand (June 2022: EUR 29,881 thousand).

The heading on supplies and external services includes the costs for the repair of items of transport, bill-counting equipment, operating subcontracts with third parties and other advisors such as lawyers, auditors and consultants.

The costs for leases by right of use corresponding to contracts for a period equal to or less than one year and to lease contracts of low value assets for an amount equal to or less than USD 5 thousand are included under the heading on operating leases. The remaining contracts are included in the heading on rights of use (Note 10.3).

The heading on other expenses, under administration and sales, mainly includes expenses for management support services and trademark usage expenses for EUR 39,086 thousand and EUR 12,698 thousand, respectively (June 2022: EUR 38,735 thousand and EUR 11,637 thousand, respectively) (Note 22).

6. Employee benefits expenses

Details of employee benefits expenses for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	2023	**2022**
Wages and salaries	373,101	339,710
Social Security expenses	79,112	74,765
Other employee benefits expenses	15,286	14,193
Indemnities	10,694	5,434
Total employee benefits expenses	**478,193**	**434,102**

The accrual of the long-term incentive associated with the 2018-2020 Plan and the 2021-2023 Plan for the Executive President, Managing Director and the Management of the Group is included under the heading on wages and salaries (Note 17). At 30 June 2023, the accumulated expense amounts to EUR 984 thousand (EUR 1,742 thousand in June 2022).

In addition, at 30 June 2022 the accrued expense for the Retention Plan, for the Executive President, Managing Director and the Management of the Group—which was almost fully settled in December 2022—was recognised.

The heading on indemnities includes the provision for occupational risks (Note 17).

7. Other income and expenses

Details of Other income and expenses in the consolidated income statement for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	2023	**2022**
Profit/(loss) for impairment of receivables	(1,888)	656
Other expenses	(598)	(2,082)
Total other expenses	**(2,485)**	**(1,426)**

The increase in impairment losses on receivables during the first six months of 2023 is mainly due to a client in the geographical area of LatAm.

In 2023 and 2022, the other expenses item mainly includes losses associated with write-offs of property, plant and equipment.

	Thousands of Euros Period ended 30 June	
	2023	**2022**
Other income	1,285	1,611
Total other income	**1,285**	**1,611**

8. Net financial expenses

Details of net financial expenses for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros Period ended 30 June	
	2023	**2022**
Borrowing costs	(8,083)	(7,427)
Interest received	5,024	3,176
Net (loss)/profit on foreign currency transactions	(21,615)	(24,001)
Financial expenses for the update of lease liabilities (Note 10)	(3,454)	(2,624)
Net financial (expense)/income from the net monetary position	(5,939)	9,699
Other expenses and net financial income	(10,572)	(5,462)
Total net financial expenses	**(44,639)**	**(26,639)**

The main change in the financial profit/(loss) for the first six months of 2023 compared to the first six months of 2022, is due principally to the net effect of:

- Increase in interest received, which includes the results of investments of surplus cash, mainly in Argentina.
- Reduction in net losses from transactions in foreign currency, mainly caused by Brazil and Peru.
- Increase in financial expenses under the heading “other net financial income and expenses” due to the deferred payments of business combinations and to the monetary adjustment of court deposits associated with the labour actions open in Brazil and Argentina (Note 17).
- Negative impact on the June 2023 consolidated income statement due to the net financial expense arising from the net monetary position. At June 2022, the net monetary position represented a financial income of EUR 9,699 thousand. That item reflects the exposure to the change in the purchasing power of the Argentine currency.

9. Segment reporting

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

The Board of Directors analyses the business from two perspectives: geographical and by activity. From a geographical perspective, three segments are identified: Europe, LatAm and Rest of the world (AOA), which in turn include the lines of activity identified as Transport, Cash Management and New Products.

The Board of Directors uses EBITA to assess segment performance, since this indicator is considered to best reflect the results of the Prosegur Cash Group's different activities.

Details of revenue by segments for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Europe		AOA		LatAm		Total	
Thousands of Euros	at 30 June 2023	at 30 June 2022	at 30 June 2023	at 30 June 2022	at 30 June 2023	at 30 June 2022	at 30 June 2023	at 30 June 2022
Transport	130,583	120,598	45,053	39,238	320,298	319,785	495,934	479,621
% of total	46%	55%	61%	62%	52%	53%	51%	54%
Cash management	74,264	66,895	11,708	12,239	112,779	118,000	198,751	197,134
% of total	26%	31%	16%	19%	18%	20%	20%	22%
New products	81,010	30,881	16,715	12,053	186,722	163,526	284,447	206,460
% of total	28%	14%	23%	19%	30%	27%	29%	23%
Total Sales	**285,857**	**218,374**	**73,476**	**63,530**	**619,799**	**601,311**	**979,132**	**883,215**

Income from Transport, Cash Management and New Products services are recognised at the time they are provided.

There is no profit/(loss) that has not been allocated to a segment. Segment income and expenses are composed by those deriving from the operating activities directly attributable to them and that the Board of Directors considers reasonable and which are distributed by using an analytical distribution criterion.

Details of profit/(loss) after tax from operations broken down by segment are as follows:

Thousands of Euros	Europe		AOA		LatAm		Total	
	at 30 June 2023	**at 30 June 2022**	**at 30 June 2023**	**at 30 June 2022**	**at 30 June 2023**	**at 30 June 2022**	**at 30 June 2023**	**at 30 June 2022**
Sales to external clients	285,857	218,374	73,476	63,530	619,799	601,311	979,132	883,215
Other net expenses	(259,059)	(200,608)	(72,433)	(62,536)	(465,275)	(449,533)	(796,767)	(712,677)
Equity losses recorded applying the equity method	(387)	(361)	760	355	(1,122)	(227)	(749)	(233)
EBITDA	26,411	17,405	1,803	1,349	153,402	151,551	181,616	170,305
PPE depreciation	(16,372)	(9,789)	(1,771)	(6,817)	(34,697)	(33,497)	(52,840)	(50,103)
Adjusted EBITA	10,039	7,616	32	(5,468)	118,705	118,054	128,776	120,202
Amortisation of intangible assets	(2,416)	(285)	(604)	(1,511)	(9,443)	(9,804)	(12,463)	(11,600)
EBIT	7,624	7,331	(572)	(6,979)	109,262	108,250	116,313	108,602
Net Finance Profit/(Loss)	(16,746)	(23,640)	(2,444)	(588)	(25,449)	(2,411)	(44,639)	(26,639)
Corporate Income Tax	(2,461)	(3,387)	(942)	723	(31,000)	(35,823)	(34,403)	(38,487)
Profit/(loss) after tax of continuing operations	(11,583)	(19,697)	(3,959)	(6,844)	52,813	70,016	37,271	43,476

Details of assets allocated to segments and a reconciliation with total assets at 30 June 2023 and 31 December 2022 are as follows:

Thousands of Euros	Europe		AOA		LatAm		Not allocated to segments		Total	
	30 June 2023	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**
Assets allocated to segments	**386,361**	**392,144**	**72,452**	**75,311**	**1,124,253**	**1,086,922**	**98,182**	**114,535**	**1,681,248**	**1,668,912**
Other non-allocated assets	**—**	**—**	**—**	**—**	**—**	**—**	**335,304**	**339,756**	**335,304**	**339,756**
Other non-current financial assets	—	—	—	—	—	—	27,222	24,108	27,222	24,108
Cash and cash equivalents	—	—	—	—	—	—	308,082	315,648	308,082	315,648
	386,361	**392,144**	**72,452**	**75,311**	**1,124,253**	**1,086,922**	**433,486**	**454,291**	**2,016,552**	**2,008,668**

Details of liabilities allocated to segments and a reconciliation with total liabilities at 30 June 2023 and 31 December 2022 are as follows:

Thousands of Euros	Europe		AOA		LatAm		Not allocated to segments		Total	
	30 June 2023	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**
Liabilities allocated to segments	**328,231**	**346,713**	**92,609**	**91,246**	**385,489**	**395,590**	**144,259**	**170,377**	**950,588**	**1,003,926**
Other non-allocated liabilities	**—**	**—**	**—**	**—**	**—**	**—**	**910,863**	**894,674**	**910,863**	**894,674**
Bank borrowings	—	—	—	—	—	—	910,863	894,674	910,863	894,674
	328,231	**346,713**	**92,609**	**91,246**	**385,489**	**395,590**	**1,055,122**	**1,065,051**	**1,861,451**	**1,898,600**

At 30 June 2023 and 31 December 2022, assets related to the Cash business in Australia, classified as non-current assets held for sale (Note 15), were not included in the breakdown of assets by segments presented previously for a total amount of EUR 93,610 thousand (EUR 121,413 thousand at 31 December 2022).

Total assets allocated to segments mainly exclude other current and non-current financial assets and or cash and cash equivalents, as these are managed together by Prosegur Cash and include rights of use that have emerged as a result of the application of IFRS 16.

At 30 June 2023 and 31 December 2022, liabilities related to the Cash business in Australia, classified as liabilities directly associated with non-current assets held for sale (Note 15), were not included in the breakdown of assets by segments presented previously for a total amount of EUR 51,536 thousand (EUR 83,357 thousand at 31 December 2022).

The total liabilities allocated to segments exclude debts with credit institutions as Prosegur Cash jointly handles the financing, and they include finance lease liabilities and those arising from the application of IFRS 16.

10. Property, plant and equipment, goodwill and other intangible assets

10.1. Property, plant and equipment

Details of changes in property, plant and equipment for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	2023	**2022**
Cost		
Opening balances	851,624	792,864
Additions	41,624	23,822
Business combinations (Note 21)	—	4,330
Write offs due to disposals or by other means	(3,900)	(9,459)
Transfer to non-current assets held for sale (Note 15)	—	(51,348)
Translation differences	26,316	85,873
Closing balances	**915,664**	**846,082**
Accumulated amortisation		
Opening balances	(496,060)	(454,929)
Write offs due to disposals or by other means	3,518	4,420
Provisions charged against the income statement	(30,186)	(30,863)
Transfer to non-current assets held for sale (Note 15)	—	32,993
Translation differences	(16,570)	(44,221)
Closing balances	**(539,298)**	**(492,600)**
Opening balances	**355,564**	**337,935**
Closing balances	**376,366**	**353,482**

During the first half of 2023, investments in property, plant and equipment made by Prosegur Cash came to EUR 41,624 thousand (at 30 June 2022: EUR 23,822 thousand). These investments correspond mainly to cash automation equipment fitted in clients premises and purchasing and conditioning bases and armoured vehicles in Argentina, Brazil, Colombia and Spain.

No assets are subject to restrictions on title or pledged as security for particular transactions at 31 December 2023.

10.2. Goodwill

Details of changes in goodwill for the six-month period ended 30 June 2023 are as follows:

	Thousands of €
	2023
Net carrying amount at 31 December 2022	**448,507**
Write offs	(3,566)
Translation differences	(1,829)
Net carrying amount at 30 June 2023	**443,112**

The write offs corresponded to the adjustments made in the value of the goodwill associated with the Change Group International Holding Ltd. business combination due to the re-estimation of the future deferred contingent payment and the fair values of the identifiable net assets.

During the six-month period ended 30 June 2023, there were no additions to the scope or to goodwill.

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

Prosegur Cash tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in Note 33.10 of the Consolidated Annual Accounts at December 2022.

As of 30 June 2023, there were no additional elements indicating impairment with respect to recognised goodwill.

Details of changes in goodwill for the six-month period ended 30 June 2022 were as follows:

	Thousands of Euros
	2022
Net carrying amount at 31 December 2021	**389,133**
Additions to the scope (Note 21)	10,007
Additions	2,881
Translation differences	29,209
Net carrying amount at 30 June 2022	**431,230**

For the six-month period ended 30 June 2022, goodwill from the following business combinations was incorporated:

	Thousands of Euros
	2022
ITT Industrie- und Transportschutz Thüringen Sicherheitsdienste	2,428
Representaciones Ordoñez y Negrete, S.A.	4,520
GSB Security Gesellschaft für Geld und Werttransporte mbH	3,059
	10,007

The additions corresponded to the adjustments made in the value of the goodwill associated with a business combination in Latin America due to reassessing the corresponding deferred contingent consideration:

	Thousands of Euros
	2022
Nummi, S.A. - Findarin, S.A.	2,881
	2,881

10.3. Rights of use

Details of changes in right of use assets for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros Period ended 30 June	
	2023	**2022**
Cost		
Opening balances	192,401	157,461
Additions	23,506	19,388
Transfer to non-current assets held for sale (Note 15)	—	(18,828)
Write offs and cancellations	(3,186)	(4,070)
Translation differences	9,781	8,352
Closing balances	**222,502**	**162,303**
Accumulated amortisation		
Opening balances	(95,446)	(78,964)
Transfer to non-current assets held for sale	—	15,091
Provisions charged against the income statement	(18,858)	(15,918)
Translation differences	(3,235)	(5,115)
Write offs due to disposals or by other means	—	—
Closing balances	**(117,539)**	**(84,906)**
Opening balances	**96,955**	**78,497**
Closing balances	**104,963**	**77,397**

Details of changes in lease liabilities for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros Period ended 30 June	
	2023	**2022**
Cost		
Balance at 31 December	(111,015)	(87,427)
Additions	(24,529)	(19,388)
Write offs and cancellations	26,607	24,298
Financial expenses (Note 8)	(5,939)	(2,624)
Translation differences	2,078	(5,691)
Liabilities associated directly with ANMV (Note 15)	—	4,144
Closing balances	**(112,798)**	**(86,688)**

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

	Average rate		
	1 to 3 years	**3 to 5 years**	**5 to 10 years**
Germany	4.13 %	4.19 %	4.32 %
Brazil	15.52 %	14.88 %	14.85 %
Peru	8.76 %	8.81 %	9.27 %
Argentina	79.15 %	67.94 %	51.13 %
Colombia	13.62 %	14.46 %	15.28 %
Chile	11.34 %	9.70 %	8.59 %
Spain	6.01 %	6.02 %	5.02 %

The rates have been calculated according to the life of the right of use.

The Cash Group does not recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short-term lease contracts (leases for one year or less) and lease contracts for low value assets (USD 5 thousand or less). Those exceptions have been recorded entirely under the heading on operating leases (Note 5).

10.4. Other intangible assets

Details of changes in intangible assets for the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros	
	2023	**2022**
Cost		
Opening balances	434,130	382,003
Additions	6,807	5,615
Business combinations (Note 21)	—	5,712
Write offs	(1,410)	(1,275)
Transfer to non-current assets held for sale (Note 15)	—	(41,986)
Translation differences	23,403	49,168
Closing balances	**462,930**	**399,237**
Accumulated amortisation		
Opening balances	(195,810)	(181,448)
Write offs	1,048	—
Provisions charged against the income statement	(16,259)	(14,922)
Transfer to non-current assets held for sale (Note 15)	—	27,804
Translation differences	(16,889)	(20,027)
Closing balances	**(227,910)**	**(188,593)**
Net assets		
Opening balances	**238,320**	**200,555**
Closing balances	**235,020**	**210,644**

11. Investments accounted for using the equity method

Joint arrangements

Details of changes in the investments in joint ventures accounted for under the equity method for the six-month periods ended 30 June 2023 and 2022 were as follows:

	Thousands of Euros	
	30 June 2023	**30 June 2022**
Balance at 1 January	9,558	6,485
Additions	1,808	7,611
Participation in profits/(losses)	(749)	(233)
Translation differences	(103)	(125)
Balance at 30 June	**10,514**	**13,738**

Details of the main figures of investments accounted for under the equity method at the end of 2022 are included in Appendix III of the Consolidated Annual Accounts for the year ended 31 December 2022.

Additions in the six-month period ended 30 June 2023 mainly relate to capitalisations made to the company Dinero Gelt, S.L.

The additions for the six-month period ended 30 June 2022 included the purchase of 51% of two Brazilian companies whose main activity is the connection of physical and digital money environments through a fintech company that uses ATM´s and vaults linked to a digital account to anticipate cash deposited in real time. The purchase price for 51% was EUR 36,995 thousand Brazilian real (exchange value on purchase date: EUR 7,242 thousand).

At 30 June 2023, Prosegur Cash has no significant contingent liability commitments in any of the joint ventures accounted for under the equity method.

12. Non-current financial assets and other current financial assets

Non-current financial assets at 30 June 2023 mainly include:

- Long-term collection right with a business combination seller from previous years in Brazil in the amount of EUR 11,470 thousand and maturing as of 2025 (31 December 2022: EUR 9,478 thousand).
- Granting of loans to two external investors related to the subsidiaries of the Cash Group in Indonesia and the Philippines, amounting to EUR 7,695 thousand (31 December 2022: EUR 6,849 thousand).
- Deposits and bonds held by the Cash Group for the amount of EUR 5,506 thousand of which EUR 2,128 thousand correspond to deposits paid in lease agreements of branches where the Cash Group provides exchange and currency services. (31 December 2022: EUR 4,961 thousand and EUR 1,387 thousand, respectively).

- Other non-current financial provisions for EUR 2,493 thousand (EUR 2,820 thousand at 31 December 2022).

At 30 June 2023, other financial assets mainly include:

- Short-term deposits and guarantees and various items, amounting to EUR 2,113 thousand, mainly in Brazil (EUR 2,209 thousand at 31 December 2022).
- A loan for EUR 3,083 thousand signed in December 2022 granted by the Cash Group to the Brazilian company Harapay Holding, S.A., consolidated using the equity method (Note 11) (EUR 1,804 thousand at 31 December 2022).
- Other current financial provisions for EUR 470 thousand (EUR 486 thousand at 31 December 2022).
- At 31 December 2022, the granting of two loans signed in February and May 2017, maturing in six years, from the Cash Group to Indian company SIS Cash Services Private, Ltd., consolidated using the equity method (Note 11). In May 2023 they were collected in full (31 December 2022: EUR 2,331 thousand).

13. Cash and cash equivalents

The detail of this heading at 30 June 2023 and 31 December 2022 was as follows:

	Thousands of Euros	
	30 June 2023	**31 December**
Cash in hand and at banks	199,793	234,627
Current bank deposits	67,935	81,021
	267,728	**315,648**

The effective interest rate on current bank deposits was 13.63% (at 31 December 2022: 17.62%) and the average term of the deposits held during the first half of 2023 was 20 days (at 31 December 2022: 37 days).

14. Inventories

Details of inventory at 30 June 2023 and 31 December 2022 are as follows:

	Thousands of Euros	
	30 June 2023	**31 December**
Fuel and others	16,067	11,155
Operative material	6,800	2,564
Uniforms	279	295
Works and work in progress	8,176	6,143
Impairment of inventories	(728)	(10)
	30,593	**20,147**

The stock of ATM is mainly included under the heading Works and work in progress.

No inventories have been pledged as securities for liabilities.

15. Non-current assets held for sale

Prosegur Cash operates the Cash business in Australia developing the transport, cash management and new products line of activity. In July 2022, the Cash Group signed an agreement with a third party to merge the cash transportation and management and ATM businesses. Although the transaction had to be authorised by the Australian Competition and Consumer Commission, as a result of the agreement, on 30 June 2022 the Cash Group classified the assets and liabilities associated with the companies PTY Limited and Precinct Hub Pty Limited as held for sale.

As mentioned in note 4, on 13 June 2023, the Australian Competition and Consumer Commission announced its approval of the merger of the businesses of Prosegur Australia and the third party. The finalisation of the operation remains subject to the fulfilment of certain conditions precedent which are expected to be met in the coming weeks.

Assets and liabilities classified as non-current held for sale are recognised at the carrying amount, and include the following assets and liabilities:

		Thousands of Euros	
Non-current assets held for sale		**30 June 2023**	**31 December 2022**
Property, plant and equipment	10.1	21,049	20,212
Other intangible assets	10.4	13,525	13,852
Rights of use	10.3	6,063	4,071
Clients and other receivables		10,886	9,954
Receivables with Prosegur Group		188	62
Deferred tax assets		3,121	3,271
Inventories		961	1,051
Cash and cash equivalents		37,817	68,940
		93,610	**121,413**

		Thousands of Euros	
Liabilities directly associated with non-current assets held for sale		**30 June 2023**	**31 December 2022**
Long-term lease liabilities	10.3	1,774	1,439
Deferred tax liabilities		3,664	4,002
Non-current provisions	17	6,198	6,502
Suppliers and other payables		37,919	69,492
Short-term provisions	17	109	227
Short-term lease liabilities	10.3	1,872	1,695
		51,536	**83,357**

These assets were measured at the lower of the carrying amount and the fair value less costs to sell.

The Cash Group recognises impairment losses, initial and subsequent, of assets classified in this category charged to profit/(loss) from ongoing operations in the consolidated income statement, unless it is a discontinued operation. Non-current assets held for sale are not depreciated or amortised.

The operation described was not considered a discontinued operation due to the fact that it is not a significant business line separate from the rest, nor a geographical area of operations.

The provisions heading includes a provision for commitments associated with the occupational accident insurance plan in Australia known as Comcare. In the first half of 2023, payments were made for commitments amounting to EUR 341 thousand, resulting in a total provision of EUR 850 thousand (31 December 2022: EUR 1,113 thousand), of which EUR 109 thousand are due in the short term.

In addition, Prosegur Cash in Australia has signed an agreement for the supply of cash to automated teller machines belonging to Prosegur Cash. The cash is, according to the contract, owned by the provider (Bailment). Prosegur Cash has access to this money for the sole purpose of loading cash into the ATMs belonging to it, supplied by this contract. The settlement of the assets and liabilities is carried out via regulated clearing systems, such as the right of set-off of balances. As a result of the foregoing, no assets and liabilities are shown in these condensed interim consolidated financial statements for this item. The amount of outstanding cash at 30 June 2023 was AUD 142,444 thousand (equivalent to EUR 86,856 thousand); at 31 December 2022 it was AUD 201,128 thousand (equivalent to EUR 128,188 thousand).

16. Equity

16.1. Share capital and Share premium

At 30 June 2023 the share capital of Prosegur Cash, S.A. was EUR 30,459 thousand (2022: EUR 30,459 thousand) and is represented by 1,522,946,683 shares (2022: 1,522,946,683 shares) with a par value of EUR 0.02 each, fully subscribed and paid. These shares are listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges and traded via the Spanish Stock-Exchange Interconnection System (SIBE).

The capital reduction agreed by the Board of Directors under item 9 of the agenda of the Shareholders General Meeting of the Company held on 6 February 2017 was registered on 6 July 2022.

The capital reduction was carried out without refund of contributions and was made against free reserves by provisioning an unavailable voluntary reserve for the same amount as the capital reduction (that is EUR 431,786), in accordance with article 335 c) of the Spanish Companies Act.

At 30 June 2023, the amount of the share premium totals EUR 33,134 thousand.

16.2. Own shares

Details of changes in own shares during the first half of 2023 are as follows:

	Number of shares	Thousands of Euros
Balance at 31 December 2022	**36,304,785**	**25,874**
Purchase of own shares	8,413,261	5,779
Other awards	(102,872)	(74)
Balance at 30 June 2023	**44,615,174**	**31,579**

Buyback programme of 20 December 2021

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

The Programme had the following features:

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

In addition, the majority shareholder of the Company, the entity Prosegur Compañía de Seguridad, S.A., holder of 79.2% of the share capital at the end of the programme, expressed its intention to not sell shares in Prosegur Cash during the coming months.

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

On 26 October 2022, the Board of Directors resolved to modify given aspects of the Programme, relative to the following points:

- Increase of the maximum number of shares that will affect the Programme, to increase this by 15,229,466 shares representing approximately 1% of the Company's current share capital (1,522,946,683 shares)
- Increase the maximum amount allocated to the Programme by EUR 10,000 thousand;
- Increase its term by one year, i.e., through 30 December 2023.

This Programme, known as the Extended Programme, has the following characteristics:

- Maximum amount allocated to the Programme: EUR 25,000 thousand.
- Maximum number of shares that can be acquired: up to 38,073,666 shares representing approximately 2.5% of the Company's share capital on the date of the agreement.
- Maximum price per share: shares will be purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) the highest current independent bid on the trading venues where the purchase is carried out.
- Term: the maximum term of the Extended Programme will be through 20 December 2023. Notwithstanding the above, the Company reserved the right to conclude the Programme if, prior to the end of said maximum term, it had acquired the maximum number of shares authorised by the Board of Directors, if it had reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

The operation of the liquidity contract signed by the Company continues to be suspended.

The main manager of the Extended Programme is an investment company or credit institution that makes its decisions in relation to the timing of the purchase of the Company's shares regardless of the Company.

Finally, the Company's majority shareholder, Prosegur Compañía de Seguridad, S.A., holder of 79.42% of the share capital, has stated its intention not to sell Prosegur Cash shares within the scope of the Extended Programme.

Delivery of own shares for long term incentives

As a result of the long term incentive plan known as the Retention Plan described in Notes 5 and 22 of the consolidated annual accounts of 31 December 2022, during 2022 a total of 3,075,828 shares were delivered to the Cash Group Executive President and Group Management.

16.3. Cumulative translation differences

The change in the balance of the cumulative translation difference at 30 June 2023 as compared to 31 December 2022 was EUR 16,924 thousand less (less negative translation differences) due to:

- positive impact of the evolution of the different currencies, mainly arising from the Brazilian Real;
- negative impact of Argentina derived from the joint effect of currency parity and the application of IAS 29;

16.4. Earnings per share

- ***Basic***

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

	30 June 2023			30 June 2022		
	Ongoing operations	**Discontinued operations**	**Total**	**Ongoing operations**	**Discontinued operations**	**Total**
Year profit attributable to the owners of the parent company	37,271	—	37,271	43,476	—	43,476
Weighted average ordinary shares in circulation	1,488,554,218	1,488,554,218	1,488,554,218	1,507,616,931	1,507,616,931	1,507,616,931
Basic earnings per share	**0.0250**	**—**	**0.0250**	**0.0288**	**—**	**0.0288**

- ***Diluted***

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

The parent does not have different classes of partially diluted ordinary shares.

16.5. Dividends

Dividends distributed to the Prosegur Cash Group's shareholders are recognised as a liability in the Consolidated Annual Accounts in the year in which the dividends are approved by the Shareholders General Meeting. Interim dividends will also result in a liability in the Prosegur Cash Group's Consolidated Annual Accounts in the year in which the payment on account is approved by the Board of Directors.

17. Provisions

Details of the balance and changes under this heading for the six-month period ended 30 June 2023 are as follows:

Thousands of Euros	Occupational risks	Legal risks	Employee benefits	Tax risks	Other risks	Total
Balance at 01 January 2023	**25,267**	**23,254**	**16,640**	**65,258**	**7,466**	**137,885**
Provisions charged against the income	4,832	66	—	2,418	984	**8,300**
Reversals credited to the income	(516)	(127)	—	(1,597)	(303)	**(2,543)**
Applications	(4,419)	(267)	—	107	(337)	**(4,916)**
Financial effect of discounting	3,015	307	—	1,475	389	**5,186**
Translation differences	513	1,190	259	3,993	(307)	**5,648**
Balance at 30 June 2023	**28,692**	**24,423**	**16,899**	**71,654**	**7,892**	**149,560**
Non-Current 2023	28,692	24,423	16,899	71,476	7,892	149,382
Current 2023	—	—	—	178	—	178

a) *Occupational risks*

The provisions for occupational risks, which amount to EUR 28,692 thousand at 30 June 2023 (at 31 December 2022: EUR 25,267 thousand), are calculated individually based on the estimated probability of success or failure. Said probability is determined by the various attorneys that work with the Group. In addition, an internal review is carried out of the probabilities assigned to each of the cases, based on past experience, in order to arrive at the definitive provision to be recorded.

The provision for occupational risks is composed mainly of labour legal cases in Brazil and Argentina. In the remaining countries, they correspond to provisions for individually insignificant amounts.

In the case of Brazil, claims made by ex-employees and employees of Prosegur Cash are included. The characteristics of labour legislation in that country result in such processes becoming drawn out, and has led to a provision in 2023 of EUR 22,675 thousand (31 December 2022: EUR 20,146 thousand).

In the case of Argentina, claims made by former employees and employees of Prosegur amounting to EUR 3,271 thousand (EUR 2,876 thousand as of 31 December 2022) are also included.

Provisions charged to and reversals credited to the income statement are included under other expenses in cost of sales in Note 5; the monetary adjustments associated with said provision are included under other financial expenses (Note 8).

b) *Legal risks*

The provisions for legal risks, which amount to EUR 24,423 thousand (31 December 2022: EUR 23,254 thousand), correspond mainly to civil claims which are analysed on a case-by-case basis. The settlement of these provisions is highly probable, but both the value of the final settlement as well as the moment are uncertain and depend upon the outcome of the processes under way. There are no significant legal risks.

The provision for legal risks is composed mainly of legal cases in Brazil and Chile. In the remaining countries, they correspond to provisions for individually insignificant amounts.

In the case of Brazil, the provisioned amount corresponds to irrelevant individual amounts and amounts to EUR 7,867 thousand (31 December 2022: EUR 7,136 thousand).

Regarding Chile, in 2018 the National Economic Prosecutor (FNE) began an investigation into potential anti-competitive practices due to agreed actions and the exchange of sensitive commercial information between competitors between 2017 and 2018. In 2021, the FNE filed a claim with the Chilean Competition Tribunal (TDCL) seeking the imposition of sanctions on the companies in question, including a fine of approximately EUR 22,000 thousand for a Cash Group subsidiary in Chile (maximum sanction). As of the date of these condensed interim consolidated financial statements, the legal process is still ongoing, and all parties to the procedure have been notified. The Cash Group submitted its defence with the TDCL on 22 November 2022.

As of 30 June 2023, the recorded amount associated with this risk in provisions for legal risks amounts to EUR 12,061 thousand (31 December 2022: EUR 11,609 thousand) (Note 20).

c) *Employee benefits*

As indicated in Note 5.2 of the Consolidated Annual Accounts for the year ended 31 December 2022, Prosegur Cash maintains defined benefit schemes in Germany, Brazil, Honduras, Nicaragua, El Salvador, Ecuador and Mexico. The actuarial valuation, carried out by qualified actuaries, of the value of the benefits to which the Company is committed is updated annually, with the last update at the end of 2022 applicable to the current period.

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

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

In addition, Honduras, Nicaragua and El Salvador have obligations, as determined by law, under defined benefit schemes arising from the termination of employment contracts by dismissal or following a mutual agreement.

d) Tax risks

The provisions for tax risks amount to EUR 71,654 thousand (31 December 2022: EUR 65,258 thousand) and mainly refer to tax risks in Brazil amounting to EUR 66,737 thousand (31 December 2022: EUR 60,475 thousand). In this regard, during the 2023 financial year provisions were made against results for EUR 2,402 thousand, reversals for EUR 1,581 thousand and applications for EUR 107 thousand. The provisions for the remaining countries refer to provisions for individually insignificant amounts.

The tax risks associated with Brazil are linked to various items, mainly with direct and indirect municipal and state tax charges, as well as provisions linked to the combination of the Nordeste and Transpev business from previous years.

Cash Group uses “the most probable outcome” as the basis for assessing uncertain potential tax risks. Tax risks are classified as material on the basis of opinions in external studies according to the analysis of case law in the matter of reference. Moreover, internal analysis are conducted based on similar cases that have occurred in the past or at other companies.

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

Provisions charged against and reversals credited to the income statement are included under other expenses in Note 5.

e) Other risks

The provisions for other risks, which amount to EUR 7,892 thousand at 30 June 2023 (31 December 2022: EUR 7,466 thousand at 31 December 2022), include multiple items.

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

The most significant ones correspond to accruals with personnel, and the remaining correspond to risk for individually insignificant amounts:

Accruals with personnel

At 30 June 2023, the amount recorded for this item amounted to EUR 6,727 thousand (31 December 2022: EUR 5,568 thousand).

These provisions include the accrued incentive in the 18-20 and 21-23 long-term incentive plan for the Executive President, Executive Director and Senior Management of the Cash Group. During the year, provisions to profit/(loss) amounted to EUR 984 thousand (30 June 2022: EUR 1,742, which also included the Retention Plan). Expenses are included under the heading on wages and salaries in Note 6.

During the first half of 2023, a total amount of EUR 337 thousand associated with the last payment of the 2018-2020 Plan was settled (EUR 450 thousand at 31 December 2022).

As detailed in Note 33.19 of the Consolidated Annual Accounts for the year ended 31 December 2022, the 2018-2020 Plan has been generally linked to the creation of value during the 2018-2020 period and has envisaged the payment of cash incentives, calculated for certain beneficiaries based on the share price. In the vast majority of cases, the Plan has measured target achievement from 1 January 2018 until 31 December 2020 and length of service from 1 January 2018 until 31 May 2023.

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

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

The Retention Plan, which was linked to ensuring adequate talent retention and promoting the digital transformation of the Prosegur Cash Group for 2021-2023, was also approved in 2021. The plan envisaged the payment of share incentives. The period of measurement covered for most cases from 1 January 2021 to 31 December 2023. The first and only payment was in December 2022. The Cash Group recognised a straight-line expense in the income statement during the measurement period 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 accrued expense during the first half of 2022 was EUR 271 thousand.

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

18. Financial liabilities

Details of the balances of this heading under the consolidated statement of financial position at 30 June 2023 and 31 December 2022 are as follows:

Thousands of Euros	30 June 2023		31 December 2022	
	Non-current	**Current**	**Non-current**	**Current**
Debentures and other negotiable securities	597,023	4,085	597,023	7,760
Bank borrowings	156,772	64,741	141,084	100,932
Credit accounts	—	47,888	—	47,875
Other payables	67,135	68,720	89,050	52,187
	820,930	**185,434**	**827,157**	**208,754**

The most significant items that make up the balance at 31 December 2022 are detailed in Note 23 of the Consolidated Annual Accounts for the year ended on that date.

The financial liabilities associated with the application of IFRS 16 have been recorded under the heading on lease liabilities (Note 10) for a total amount of EUR 112,798 thousand (EUR 111,015 thousand at 31 December 2022).

During the six-month period ended 30 June 2023 there has been no default or non-compliance with any agreement regarding the loans and credit facilities granted to Prosegur Cash.

Syndicated credit facility (Spain)

On 10 February 2017 Prosegur Cash arranged a five-year syndicated credit financing facility of EUR 300,000 thousand to provide the company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another 5 years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026.

At 30 June 2023, the balance drawn down from this credit amounts to EUR 125,000 thousand (at 31 December 2022 the balance drawn down from this credit was EUR 100,000 thousand).

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

At 31 December 2022, the Cash Group complied with the covenants related to this syndicated financial operation

Debentures and other negotiable securities

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

Loan in Peru

On 2 June 2021, Prosegur Cash, via its subsidiary in Perú Compañía de Seguridad Prosegur, S.A., arranged a credit financing facility for 300,000 thousand Peruvian sol for a five-year term. At 30 June 2023, the drawn down capital was PEN 180,000 thousand (at June 2023 equivalent to: EUR 45,516 thousand). At 31 December 2022, the drawn down capital amounted to PEN 210,000 thousand (at 31 December 2022 equivalent to: EUR 51,597 thousand).

Syndicated loan (Australia)

On 28 April 2017, Prosegur Cash, via its subsidiary Prosegur Australia Investments Pty Limited, arranged a syndicated credit financing facility in the amount of AUD 70,000 thousand. The company does not form part of the operation outlined in Note 15.

The maturity schedule included in the syndicated loan agreement was as follows:

- The first maturity was in 2021 for AUD 10,000 thousand;
- The second maturity was in April 2022 for AUD 10,000 thousand;
- The third and final maturity will be in April 2023 for AUD 50,000 thousand;

At 31 December 2022, the drawn down capital amounted to AUD 50,000 thousand (at 31 December 2022 equivalent to: EUR 31,861 thousand).

Other payables

The most significant items that make up the balance at 31 December 2022 are detailed in Note 23 of the Consolidated Annual Accounts for the year ended on that date.

At 30 June 2023, other payables mainly relate to pending payments of business combinations.

19. Taxation

The company Prosegur Cash consolidates as part of the Prosegur Tax Group in Spain. As well as Prosegur Compañía de Seguridad, S.A. as the parent, this Consolidated Tax Group also comprises the Spanish subsidiaries that meet the requirements set out in regulations governing consolidated taxation. Moreover, the Prosegur Cash Group files consolidated corporate income tax returns in the following countries: Luxembourg, Portugal and Australia.

	Thousands of Euros Period ended 30 June	
	2023	**2022**
Current tax	38,073	47,025
Deferred tax	(3,670)	(8,538)
Total	**34,403**	**38,487**

	Thousands of Euros Period ended 30 June	
	2023	**2022**
Expense from income tax	34,403	38,487
Profit/(loss) before tax	71,674	81,963
Effective rate	**48.00%**	**46.96%**

The effective tax rate was 48.00% in the first half of 2023, compared with 46.96% in the same period the previous year, an increase of 1.04 percentage points.

Tax expense is recognised in the interim accounting period based on the best estimate of the weighted average effective tax rate expected for the annual accounting period. The amounts calculated for the tax expense, in this interim accounting period, may need adjustments in subsequent periods provided that the estimates of the effective annual rate have changed by then.

On 4 April 2019 the Brazilian Tax Authority notified Prosegur Brasil S.A. Transportadora de Valores e Segurança of a tax settlement decision regarding Corporate Income Tax, Social Security and withholdings at source in relation to the corporate cost incurred from 2014 to 2016. The amount under that notice was BRL 255,677 thousand (tax liability BRL 102,938 thousand, interest BRL 71,690 thousand and penalties BRL 81,049 thousand), equivalent at 30 June 2023 to EUR 48,433 thousand. After a first phase of defence in administrative proceedings, the amount was reduced to BRL 192,598 thousand (tax liability BRL 76,607 thousand, penalties BRL 54,571 thousand and interest BRL 61,420 thousand), equivalent to EUR 36,485 thousand. The new agreement is pending resolution at a later administrative stage. The Cash Group has not recorded a provision in its consolidated financial statements because it expects a favourable outcome of the dispute.

In January 2022 the Brazilian Tax Authority notified Prosegur Brasil, S.A. Transportadora de Valores e Segurança of the start of an inspection regarding Personal Income Tax, Social Security and withholdings at source in relation to the 2018 financial year. The inspection is still under way.

On 10 July 2020 notice of the opening of a general inspection procedure was received for Prosegur Servicios de Efectivo de España, S.A., Juncadella Prosegur Internacional, S.A. and Prosegur Global CIT, S.A. for the 2015-2018 tax periods for Corporate Income Tax and for the 2016-2018 tax periods for all other tax items.

With regard to corporate income tax for Prosegur Global CIT, a tax assessment was signed on a contested basis on 11 May 2022. After a first phase of presenting arguments, the Company was notified of the settlement ruling on 4 October 2022, the amount of which was EUR 1,431 thousand (tax charge EUR 1,244 thousand, late-payment interest EUR 187 thousand). With respect to the rest of the companies, there were no significant adjustments.

The settlement agreement was appealed by the Company through the administrative channel by lodging an Administrative Economic Appeal with the Central Administrative Economic Court, which is awaiting a decision.

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

On 22 December 2022, the European Union Council published Directive 2022/2523 on the guarantee of a global minimum level of taxation for groups of multinational companies and large-scale national groups in the Union, based on the OECD Pillar II Model Rules. With its entry into force, it is intended to guarantee a minimum taxation of 15% in each of the jurisdictions in which those groups of companies with a turnover of more than EUR 750,000 thousand operate. The transposition and entry into force of the Directive is scheduled for 2024. According to a first reasonable estimate, the Prosegur Cash Group is not present in any jurisdiction whose effective taxation is below the limits established in the Directive; it therefore considers that its publication will not result in any significant impact in tax terms.

20. Contingencies

Note 26 of the Consolidated Annual Accounts for the year ended 31 December 2022 provides information on contingent assets and liabilities at that date.

Chilean National Economic Prosecutor

In 2018, the Chilean National Economic Prosecutor (FNE) began an investigation into potential anti-competitive practices due to agreed actions and the exchange of sensitive commercial information between competitors between 2017 and 2018.

In 2021, the FNE requested sanctions, including a fine of approximately EUR 22,000 thousand from a Prosegur Group subsidiary in Chile (maximum sanction). At the date of preparation of these interim financial statements, the legal proceedings are still in progress and all parties to the proceedings have been notified. The company is currently preparing the contents of its defence, which will be presented in the near future.

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

Liquidation of subsidiaries in Romania

At the end of 2017, the company SC Rosegur, S.A. was involved in insolvency proceedings. The company SC Rosegur Cash Services, S.A. was judicially declared bankrupt and was wound up in July 2022. The Directors do not expect significant liabilities to arise from this process.

21. Business combinations

21.1. Goodwill added in 2023

No business combinations have taken place during the first half of 2023.

21.2. Goodwill added in 2022 whose valuation is being reviewed in 2023

Details of the net assets acquired and goodwill recognised on business combinations during 2022 whose valuation is being reviewed in 2023 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	**Total purchase price**	Fair value of identifiable net assets	**Goodwill**
Change Group International Holdings Ltd.	13,514	60,782	**74,296**	44,992	**29,304**
	13,514	**60,782**	**74,296**	**44,992**	**29,304**

At 31 December 2022, the total goodwill recognised for this incorporation was EUR 32,870 thousand. The difference generated by the verification of the fair values in 2023 corresponded to the reassessment of the postponed contingent payments and the fair values of the identifiable net assets associated with this business combination. The Cash Group has not restated 2022 figures as the changes are not significant.

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

Thousands of Euros	Cash payment	**Cash and cash equivalents acquired**	Cash outflow in acquisition
Change Group International Holdings Ltd.	13,514	(22,307)	**(8,793)**
	13,514	(22,307)	(8,793)

Change Group International Holding Ltd.

On 29 July 2022, Prosegur acquired control of Change Group International Holding Ltd. with a presence in Europe, the United States and Australia, which provides foreign exchange services, ATMs, international payment services, foreign money online, travel money home delivery and local cash services. On the date of the transaction, the Cash Group acquired 65% of the acquired group; the remaining 35% will be acquired in the coming years following the schedule of future deferred contingent payments.

The acquisition is part of Prosegur Cash’s strategy to continue expanding into new products on an international level, capitalising on the Change Group client portfolio to achieve this.

The total purchase price amounted to EUR 74,296 thousand, made up of:

– Cash payment for EUR 13,514 thousand,

– a deferred future contingent payment amounting to EUR 60,782 thousand, maturing in 2023, 2024, 2025, 2026 and 2029. The carrying amount differs from its fair value, because Grupo Cash values the future deferred contingent payment debt at current value. The fair value at the time of the transaction amounted to EUR 75,375 thousand, which includes four payments:

- Second instalment (first tranche): based on the amount received by the buyer associated with open claims prior to the purchase and corresponding to the seller. The payment was made during the 2023 financial year for an amount of EUR 4,011 thousand.

- Second instalment (second tranche): calculated by the difference between EBIT for 2023 and the net debt for 2023, multiplied by an agreed multiple less the cash payment made in 2022 and the first tranche associated with the second instalment paid in 2023. The payment will be made during the 2024 financial year for an estimated amount of EUR 29,582 thousand.

- First tranche: calculated by the difference between the EBIT for the year 2024 and the net debt for 2024, multiplied by an agreed multiple, the payment of which will be made in 2025 for an estimated amount of EUR 11,491 thousand.

- Second tranche: calculated by the difference between the EBIT for the year 2025 and the net debt for 2025, multiplied by an agreed multiple, the payment of which will be made in 2026 for an estimated amount of EUR 13,674 thousand.

- Third tranche: calculated by the difference between the EBIT of the year 2028 and the net debt of 2028, multiplied by an agreed multiple, the payment of which will be made during the year 2029 for an estimated amount of EUR 16,618 thousand.

The main synergies that the Cash Group expects to obtain from the business combination are mainly the following:

- Increases in sales and cash flows derived from excellent positioning in privileged places in airports, railway stations and in the main streets of important cities.

- Savings from the bargaining power of the acquired group in connection with leasing agreements.

- Cost savings for royalties, thanks to the possession of the intangible asset of the Change Group brand, associated with the activity of the acquired group of companies. These savings are constituted by the fact of being the owner of said intangible asset instead of paying royalties for obtaining rights of use substantially equivalent to ownership.

- Savings in costs of contracting and training a new workforce, thanks to the fact that the acquired company included a workforce of 200 employees.

The provisional assets and liabilities that arose from these acquisitions are as follows:

(Thousands of Euros)	Carrying amount of the business	Fair value
Cash and cash equivalents	22,307	22,307
Property, plant and equipment	2,393	2,393
Inventories	103	103
Clients and other receivables	6,368	6,368
Suppliers and other payables	(9,349)	(9,349)
Deferred tax assets	699	699
Provisions	(229)	(229)
Non-current financial assets	1,625	1,625
Other intangible assets	3,390	50,048
Deferred tax liabilities	—	(11,506)
Current tax assets	742	742
Current tax liabilities	(402)	(402)
Other current liabilities	(881)	(881)
Rights of use	25,767	25,767
Long-term lease liabilities	(19,601)	(19,601)
Short-term lease liabilities	(6,166)	(6,166)
Long-term financial liabilities	(4,905)	(4,905)
Short-term financial liabilities	(12,021)	(12,021)
Identifiable net assets acquired	**9,840**	**44,992**

The intangible assets identified in the business combination were the following:

- Airport client network: for EUR 5,381 thousand, the estimated useful life of which ranges from 1 to 9 years, and assigned to the Cash segment and the Europe and ROW geographical area.

- Client network in railway stations: for EUR 2,850 thousand, the estimated useful life of which ranges between 7 and 8 years, and assigned to the Cash segment and the geographical area of Europe.

- Client network on main streets: for EUR 33,827 thousand, the estimated useful life of which ranges from 9 to 18 years, and assigned to the Cash segment and the Europe and ROW geographical area.

- Brands: for EUR 2,249 thousand, the estimated useful life of which ranges from 1 to 5 years, and assigned to the Cash segment and the Europe and ROW geographical area.

- Other intangibles: EUR 2,351 thousand, the estimated useful life of which is 5 years and assigned to the Cash segment and the Europe geographical area.

The residual goodwill, amounting to EUR 29,304 thousand, is associated with more distant cash flows and intangibles not yet developed. Goodwill is made up of a series of elements that include the workforce (which despite being valued, is considered an indivisible element of goodwill), potential clients, new lines of activity to be developed and other synergies between companies.

Lastly, due to the different characteristics of the acquired business with respect to traditional Prosegur businesses, the accounting of the transaction has required an additional effort in the analysis of the main figures and in the review of the acquired assets and liabilities.

As of 30 June 2023, Prosegur continues to analyse financial information that could be relevant to determine the amount of future deferred contingent payments and the identification and valuation of intangible assets.

The works that, as of 30 June 2023, are still in progress to conclude the registration of the transition, are mainly to continue with the analysis of the financial information of the acquired business and meetings with the independent expert to specify, if applicable:

- Determination of the resulting goodwill;
- Valuation of intangibles and estimation of their useful lives;
- Definitive values of future deferred contingent payments.

21.3. Goodwill added in 2022 not reviewed in 2023

Details of the net assets acquired and goodwill recognised on business combinations during 2022 whose valuation has not been reviewed in the first half of 2023 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	**Total purchase price**	Fair value of identifiable net assets	**Goodwill**
ITT Industrie- und Transportschutz Thüringen Sicherheitsdienste	3,579	3,182	**6,761**	4,394	**2,367**
Representaciones Ordoñez y Negrete, S.A.	2,613	974	**3,587**	(796)	**4,383**
GSB Security Gesellschaft für Geld und Werttransporte GmbH	696	553	**1,249**	(1,810)	**3,059**
	6,888	**4,709**	**11,597**	**1,788**	**9,809**

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

Goodwill is not tax deductible.

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	**Cash outflow in acquisition**
ITT Industrie- und Transportschutz Thüringen Sicherheitsdienste	3,579	(110)	**3,469**
Representaciones Ordoñez y Negrete, S.A.	2,613	(964)	**1,649**
GSB Security Gesellschaft für Geld und Werttransporte GmbH	696	(4)	**692**
	6,888	**(1,078)**	**5,810**

ITT Industrie- und Transportschutz Thüringen Sicherheitsdienste

On 28 February 2022, Prosegur acquired 100% of the company ITT Industrie- und Transportschutz Thüringen Sicherheitsdienste in Germany, related to securities logistics and cash management services. The total purchase price was EUR 6,761 thousand, comprising a cash consideration of EUR 3,579 thousand, a deferred contingent consideration amounting to a total of EUR 2,771 thousand, due in 2022 and 2023 and a deferred future contingent payment for a total of EUR 411 thousand for due payment in 2025.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	110	110
Property, plant and equipment	3,321	3,321
Inventories	2	2
Clients and other receivables	1,984	1,984
Suppliers and other payables	(1,041)	(1,041)
Other liabilities and expenses	(96)	(96)
Provisions	(274)	(274)
Non-current financial assets	58	58
Other intangible assets	1	680
Deferred tax liabilities	—	(205)
Long-term financial liabilities	(141)	(141)
Short-term financial liabilities	(4)	(4)
Identifiable net assets acquired	**3,920**	**4,394**

The goodwill on this acquisition was allocated to the Cash segment and to the Europe geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 679 thousand) with a useful life of 11 years (Note 11.5).

Representaciones Ordoñez y Negrete, S.A.

On 25 February 2022, Prosegur acquired 88% of the company Representaciones Ordoñez y Negrete, S.A. in Ecuador. A company that provides collection and payment services for debts and invoices. The remaining 12% was acquired on 8 August 2022. The total purchase price was EUR 3,587 thousand, comprising a cash payment of EUR 2,613 thousand, a deferred contingent payment for a total of EUR 974 thousand due for payment in 2023, 2024, 2025 and 2026.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	964	964
Property, plant and equipment	819	819
Clients and other receivables	373	373
Suppliers and other payables	(4,846)	(4,846)
Deferred tax assets	18	18
Provisions	(1,177)	(1,177)
Non-current financial assets	29	29
Other intangible assets	—	4,284
Deferred tax liabilities	—	(1,071)
Long-term financial liabilities	(158)	(158)
Short-term financial liabilities	(31)	(31)
Identifiable net assets acquired	**(4,009)**	**(796)**

The goodwill on this acquisition was allocated to the Cash segment and to the LatAm geographical area and mainly reflects the profitability of the business and sizeable synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 2,671 thousand) with a useful life of 17 years, a trademark (EUR 861 thousand) with an indefinite useful life and specialised software (EUR 752 thousand) with a useful life of 7 years (Note 11.5).

GSB Security Gesellschaft für Geld und Werttransporte GmbH

On 25 March 2022, Prosegur acquired 100% of the company GSB Security Gesellschaft für Geld und Werttransporte GmbH in Germany, related to securities logistics and cash management services. The total purchase price was EUR 1,249 thousand, comprising a cash payment of EUR 696 thousand and a deferred payment of EUR 553 thousand maturing in 2023.

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

(Thousands of Euros)	Carrying amount of the business acquired	Fair value
Cash and cash equivalents	4	4
Property, plant and equipment	190	190
Inventories	20	20
Clients and other receivables	1,049	1,049
Suppliers and other payables	(3,629)	(3,629)
Provisions	(169)	(169)
Other intangible assets	—	1,016
Deferred tax liabilities	—	(274)
Short-term financial liabilities	(17)	(17)
Identifiable net assets acquired	**(2,552)**	**(1,810)**

The goodwill on this acquisition was allocated to the Cash segment and to the Europe geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 1,016 thousand) with a useful life of 12 years (Note 11.5).

22. Balances and transactions with related parties

The Prosegur Cash Group is controlled by Prosegur Compañía de Seguridad, S.A., which was incorporated in Madrid and directly holds 79.42% of the Company's shares.

Balances with Prosegur Group companies

The Prosegur Cash Group holds balances with companies belonging to the Prosegur Group but not included in the consolidation scope of the Prosegur Cash Group:

Thousands of Euros	30 June 2023	31 December 2022
Short-term investments in Group companies and associates		
Credits	3,246	4,130
Trade and other receivables		
Clients	1,366	1,898
Other receivables	58,872	53,404
Total current assets with Prosegur Group companies	**63,484**	**59,432**
Total assets	**63,484**	**59,432**
Loans granted by group companies		
Dividends payable	15,906	31,810
Trade and other payables		
Suppliers	37,555	21,577
Other payables	46,739	37,467
Total current liabilities with Prosegur Group companies	**100,200**	**90,854**
Total liabilities	**100,200**	**90,854**

The heading Loans mainly includes a loan granted by the Cash Group to SIS Cash Services Private Ltd, which is equity accounted (Note 11). The total amount of the loan is INR 242,187 thousand (equivalent to EUR 2,715 thousand at 30 June 2023 and EUR 2,747 thousand at 31 December 2022). The loan matures in 2024 and 2026 and bears interest at market rates.

On the other hand, under current financial assets (Note 12), is included a credit amounts to EUR 3,083 thousand, signed in December 2022 for Cash Group and the Brazilian company Harapay Holding S.A., consolidated through the method of investments using the equity method (Note 11) (EUR 1,804 thousand at 31 December 2022).

The Prosegur Cash Group performs transactions with companies belonging to the Prosegur Group but not included in the consolidation scope of the Prosegur Cash Group:

Thousands of Euros	30 June 2023	30 June 2022
Income		
Leases and supplies	295	447
Services rendered	758	1,097
Total income	**1,053**	**1,544**
Expense		
Brand (Note 5)	(12,698)	(11,637)
Management support services (Note 5)	(39,086)	(38,735)
Leases and supplies	(8,388)	(7,439)
Other expenses	(3,911)	(3,246)
Total expenses	**(64,083)**	**(61,057)**

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

1. Remuneration of members of the Board of Directors

Details of the remuneration accrued by members of the Board of Directors for all items during the six-month periods ended 30 June 2023 and 2022 are as follows:

	Thousands of Euros	
	30 June 2023	**30 June 2022**
Fixed remuneration	442	443
Variable remuneration	901	890
Remuneration for membership of the Board and Committee	2	2
Per diems	447	425
	1,792	**1,760**

2. Remuneration of Senior Management personnel:

Senior Management personnel are Prosegur Cash employees who hold, de facto or de jure, Senior Management positions reporting directly to the governing body or Managing Director, including those with power of attorney not limited to specific areas or matters or areas or matters not forming part of the entity's statutory activity.

The remuneration accrued by all the Senior Management personnel of Prosegur Cash for the six-month periods ended 30 June 2023 and 2022 is as follows:

	Thousands of Euros	
	30 June 2023	**30 June 2022**
Total remuneration accrued by Senior Management	2,184	2,227

The total commitment acquired by the Company at 30 June 2023 related to the 18-20 Plan and the 21-23 Plan incentives is recorded in liabilities for a total amount of EUR 6,727 thousand (2022: EUR 5,568 thousand).

Information required by article 229 of the Spanish Companies Act

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

Occasionally, and even before the appointment of Mr Daniel Guillermo Entrecanales Domecq as a Director of the Company, Revolution Publicidad, S.L. has provided Prosegur Cash with advertising agency, media, marketing and communication services, within the ordinary course of business and in market terms. Prosegur Cash does not work solely with the agency Revolution Publicidad, S.L., but receives advertising, media, marketing and communication services from other companies too. The invoicing from Revolution Publicidad, S.L. to Prosegur Cash is not material and does not represent a significant amount. At 30 June 2023 it has not provided services (at 30 June 2022 these amounted to EUR 24 thousand).

The Board of Directors considers that the business relationship between the agency Revolution Publicidad, S.L. and Prosegur Cash, due to its occasional, non-exclusive nature in the ordinary course of business, and its scant significance in the terms outlined, in no way affects the independence of Mr Daniel Guillermo Entrecanales Domecq to discharge the duties of Independent Director of Prosegur Cash.

Prosegur is controlled by Gubel S.L., which was incorporated in Madrid, and holds 59.8% of the shares of Prosegur, which consolidates Prosegur Cash in its consolidated financial statements. During the year, Prosegur Cash provided services to Gubel, S.L. in the amount of EUR 9 thousand (EUR 7 thousand at 30 June 2022).

During the year, Euroforum Escorial, S.A. (controlled by Gubel, S.L.) billed Prosegur Cash the amount of EUR 31 thousand for services (EUR 37 thousand at 30 June 2022).

Likewise, Agrocinegética San Huberto, S.L. (controlled by Gubel, S.L.) at 30 June 2023 has not provided services (at 30 June 2022: EUR 209 thousand).

Additionally, during the first half of 2023, Proactinmo, S.L.U. (controlled by Gubel, S.L.) billed Prosegur Cash for the rental of one property located in Madrid for EUR 131 thousand (at 30 June 2022: EUR 102 thousand).

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

23. Average headcount

Details of the average headcount of Prosegur Cash for the six-month periods ended 30 June 2023 and 30 June 2022, including the companies consolidated using the equity method, are as follows:

	30 June 2023	30 June 2022
Men	42,012	40,358
Women	11,204	11,152
	53,216	**51,510**

24. Events after the reporting date

At the date of drawing up these condensed interim consolidated financial statements, there are no significant subsequent events that have not been disclosed in the accompanying notes.

APPENDIX I. – Summary of the main accounting policies

The accounting policies used to prepare these condensed interim consolidated financial statements are the same as those applied in the consolidated annual accounts for the year ended 31 December 2022, except for the entry into force of new standards and interpretations in 2023.

- Amendments to IAS 1 Presentation of financial statements: classification of financial liabilities as current or non-current.

- Amendments to IAS 1 and to the IFRS Practice Statement on Disclosure of Accounting Policies. The IASB has included guidance and examples for applying judgement in identifying which accounting policies are material. The amendments replace the criterion of disclosing significant accounting policies with material accounting policies.

- Amendments to IAS 8 Definition of accounting estimates. The definition of accounting estimate is updated, which clarifies the difference between changes in accounting estimate, changes in accounting policies and corrections of errors.

- Amendments to IAS 12 Deferred taxes related to Assets and Liabilities arising in transactions such as leases or decommissioning obligations. The amendment requires entities to recognise a deferred tax asset and deferred tax liability separately when the temporary differences arising upon recognition of an asset and a liability are the same and do not qualify for the initial recognition exception provided for in the standard.

Although the Group is currently analysing their impact, based on the analyses carried out to date, the Group considers that their application does not have a significant impact on its condensed interim consolidated financial statements.

In addition, the Standards published at the time that these condensed interim consolidated financial statements were being drawn up and that are not mandatory are as follows:

- Amendment to IFRS 16 Leases, which details the accounting for sale and leaseback transactions. According to the amendment to the standard, the seller-lessee must calculate the value of the lease liability in such a way that it does not recognise any gain or loss related to the retained right of use.

Although the amendment will become effective on 1 January 2024, the Group estimates that its application will not have a significant impact on its financial statements.

PROSEGUR CASH

Directors´ interim consolidated report for six-month period ended 30 June 2023

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

Prosegur Cash, S.A.

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Directors’ interim consolidated report for the six-month period ended 30 June 2023

1. Events occurred since the end of 2022

In addition to what is reflected in Note 3 on the changes to the structure of the Group, the most relevant transactions and events that occurred during the first half of 2023 are detailed below:

Macroeconomic risks

Unrest in the international geopolitical situation, largely caused by the Russian Federation’s military invasion of Ukraine, continues to trigger inflationary pressures on commodity prices, energy prices and foreign exchange rates. The central banks have therefore withdrawn most of the monetary stimuli and have been aggressively increasing interest rates since the second half of 2022.

Despite this background of uncertainty, the impact on the Group’s consolidated financial statements continues to be rather insignificant, due to:

– inflationary impacts are being partially offset by trade flows, reflecting the increase in energy costs in the prices of the services provided by the Group;

– the impacts of rising interest rates are being partially mitigated by the Group’s financing structure, which includes a large percentage of fixed-rate debt.

Sustainability

These condensed interim consolidated financial statements have been prepared taking into account the provisions of the informative documents issued by the International Accounting Standards Board (IASB) in November 2020 and in July 2023, which include information requirements in relation to climate change.

In this regard, the Cash Group 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, the Cash Group 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 the Cash Group over the last five years in these areas have focused, primarily, on strengthening the environmental responsibility of the Group’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.

With this framework in mind, the Cash Group has invested approximately EUR 6,981 thousand between 2018 and 2022. During the first six months of 2023, approximately EUR 1,551 thousand has been invested, which represents a growth of 33% compared to the investment made in the same period of the previous financial year.

In terms of the environment, the Cash Group is committed to reducing its emissions in both the medium and long term. This is despite the fact that, as the Cash Group'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.

The Cash Group'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, 27 April 2021.

- Approval by the Board of Directors, at its meeting on 27 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 Group 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 a 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", the Cash Group 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.

Lastly, 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.

Corporate operations

Prosegur Cash operates in Australia developing the transport, cash management and new products line of activity.

During July 2022, the Group entered into an agreement with a third party to merge the cash in transit and cash management and ATM businesses, and proceeded to disclose the transaction to the Australian Competition and Consumer Commission, whose approval was required for the operation.

On 13 June 2023, the Australian Competition and Consumer Commission announced its approval of the merger of the businesses of Prosegur Australia and the third party.

The finalisation of the operation remains subject to the fulfilment of certain conditions precedent which are expected to be met in the coming weeks (Note 15).

The transaction will take the form of a capital increase through the contribution of the Cash Group companies in Australia to Armaguard Group, the Cash Group's main competitor in Australia. The resulting set of companies will be structured as a separate vehicle in which the Cash Group will hold 35% of its net assets. As a result, the Cash Group will classify this investment as a Joint Venture and record it using the equity method.

2. Performance of the business

2.1. Sales by geographical segment

Prosegur Cash consolidated sales for the first half of 2023 amounted to EUR 979.1 million (at 30 June 2022: EUR 883.2 million), which is a total increase of 10.9%. The growth in sales was driven by an organic growth of 33.0% and an inorganic growth of 4.8% due to the acquisitions made in 2022, primarily The Change Group. The negative exchange-rate effect was 26.9%.

Consolidated sales are distributed by geographical area as follows:

Millions of Euros	June 2022	June 2023	Variation
Europe	218.4	285.9	30.9%
AOA	63.5	73.5	15.7%
LatAm	601.3	619.8	3.1%
Prosegur Cash Total	**883.2**	**979.1**	**10.9%**

The recovery of activity levels and of the good acceptance of the commercial and operational proposals that the Cash Group offers its clients has led to the steady growth of the business in all regions.

In this regard, sales in Europe increased by 30.9% as a result of an organic growth of 12.4% and an inorganic growth of 18.6%, mainly due to the acquisition of The Change Group last year. The negative exchange-rate effect was 0.1%.

For their part, sales in the AOA region have continued to climb, increasing by 15.7% due to an organic growth of 20.8%, an inorganic growth of 0.8%, and a negative exchange-rate effect of 6.0%.

Lastly, in LatAm, the increase in sales of 3.1% was mainly due to an organic growth of 41.7% and an inorganic growth of 0.2%, while the negative exchange-rate effect was 38.8%.

2.2. Sales by line of activity

Consolidated sales are distributed by lines of activity as follows:

Millions of Euros	June 2022	June 2023	Variation
Transport	479.6	495.9	3.4 %
% of total	*54.3 %*	*50.7 %*	
Cash management	197.1	198.8	0.8 %
% of total	*22.3 %*	*20.3 %*	
New products	206.5	284.4	37.8 %
% of total	*23.4 %*	*29.1 %*	
Prosegur Cash Total	**883.2**	**979.1**	**10.9 %**

2.3. Margins

EBITA for the first half of 2023 was EUR 128.8 million (at 30 June 2022: EUR 120.2 million). The adjusted EBITA margin at the end of the first half of 2023 was 13.2% (at 30 June 2022: 13.6%).

The adjusted EBITA margin is distributed by geographical areas as follows:

Millions of Euros	Europe	AOA	LatAm	At 30 June 2023 Prosegur Cash
Sales	285.9	73.5	619.8	979.1
Adjusted EBITA	10.0	0.0	118.7	128.8
Adjusted EBITA margin	*3.5 %*	*- %*	*19.2 %*	*13.2 %*

Millions of Euros	Europe	AOA	LatAm	At 30 June 2022 Prosegur Cash
Sales	218.4	63.5	601.3	883.2
Adjusted EBITA	7.6	(5.5)	118.1	120.2
Adjusted EBITA margin	*3.5 %*	*(8.6) %*	*19.6 %*	*13.6 %*

2.4. Outlook for the second half of 2023

In the first six months of 2023, Prosegur Cash has consolidated the growth we observed in 2022.

Sales have experienced an increase of around 33% in organic terms, which is indicative of the robustness of the business and the soundness of cash, as well as the consolidated return to volumes in the post-pandemic era.

The return of consumer spending, economic activity and the sustained presence of inflation have all contributed to gradually improving the business.

Month after month, consumers continue to demonstrate their strong support for cash as a means of payment that allows them to carry out their transactions in a universal, inclusive, private and efficient manner, and that also helps to control spending in the domestic economy.

It is important to highlight, as part of the execution of our Perform&Transform strategy, the strong progression of New Products, which increased by 38% compared to the same period in the previous year. As a result, 29.1% of our total sales arose from the sale of New Products. In this regard too, we have a company that is more transformed and better prepared for the future. It is worth noting that all geographical areas have made a decisive contribution to this growth, which indicates the solidity and global nature of the commitment to our Transformation strategy.

Particularly noteworthy in this transformation effort are the growth of Cash Today, which is consolidating its position as the main tool for digitising cash in retail; the evolution of Corban, which is a transformative solution to facilitate the most widespread access possible to financial services; and the incorporation of Change, our currency exchange business, which has been up and running for almost a year and is meeting the expectations that were initially set.

By geographical area, Latin America, our main region representing 63% of total sales, experienced a net growth of 3.1% as a result of very strong organic growth of 41.7%, a contribution from inorganic growth of 0.2%, and a strong currency impact in some of our markets in the region (-38.8%). New products in the region increased by a very remarkable 14.2% and now represent 30.1% of total sales. In this environment, we will remain vigilant of how currencies are evolving, with a strong focus on increasing growth and making our business more efficient while continuing with our long-term natural exchange rate hedging strategies.

In Europe, sales have also risen significantly. The total increase amounts to 30.9%, which can be broken down into a very healthy organic growth of 12.4% and a further inorganic improvement of 18.6%, mainly due to the aforementioned acquisition of Change. The level of transformation in the region now makes up 28.3% of sales, which is 162.3% higher than in the same period of the previous year.

In Asia-Pacific, total sales growth was 15.7%, with organic growth reaching an extraordinary 20.8%. We believe these growth figures are very promising for the future of the region. Here too, transformation continues to be very relevant, with New Products reaching 22.7% of total sales, having grown by 38.7% compared to 2022.

If we analyse the company's profitability in terms of EBITA, we can see that EBITA for the period reached EUR 129 million, which is EUR 9 million more than the previous year. In relative terms, this was 13.2%, and while it constituted a drop of 40 basis points compared to 2022, this is mainly due to the impact of currency fluctuations.

Turning to the analysis of profitability by regions, we can see how

Latin America, with sales of 620 million, which is a 3.1% improvement over the previous year and with a relative profitability of 19.2% of sales, has experienced a reduction of 40 basis points compared to the same period in 2022.

Europe achieved sales of 286 million, a 30.9% improvement over the previous year and with a relative profitability of 3.5% of sales, maintaining the relative profitability for the same period in 2022.

AOA reached sales of 73 million, a 15.7% improvement over the previous year and with a relative profitability of 0.0% of sales, resulting in a recovery of 870 basis points compared to the first half of 2022.

There are two macro constants that we can observe in this first half of 2023, both of which were already started in 2022, namely inflation and political instability, which seem to be lasting for the meantime.

Both factors favour the use of cash in society and therefore have a positive spillover effect on our industry and our business.

Another element that we have already highlighted is the vulnerability of critical infrastructures in the face of cybersecurity events. This reality, which is becoming increasingly prevalent on the international scene, highlights the importance of cash as a secure payment element that we need to protect at the regulatory level to ensure a safe and prosperous society. This is reflected in the increasingly evident regulatory support for cash in all geographical areas, which we trust will continue to reinforce its use.

Lastly, it is important to note the approval received from the regulatory authorities with regard to the merger of our Australian business with Armaguard, subject to a set of conditions that we believe to be reasonable for all parties involved.

3. Average headcount

Details of the average headcount of Prosegur Cash for the six-month periods ended 30 June 2023 and 30 June 2022 are as follows:

	30 June 2022	30 June 2023
Men	40,358	42,012
Women	11,152	11,204
	51,510	**53,216**

4. Investments

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

During the first half of 2023, investments in property, plant and equipment were approved for EUR 37.9 million (at 30 June 2022: EUR 33.5 million).

5. Financial management

Prosegur Cash calculates net financial debt as follows: total current and non-current borrowings (excluding other non-bank payables) plus net derivative financial instruments, minus cash and cash equivalents, and minus other current financial assets.

At 30 June 2023 net financial debt totals EUR 565.0 million (at 31 December 2022: EUR 510.1 million).

Prosegur Cash calculates its leverage ratio as the ratio resulting from net financial debt (excluding other non-bank borrowings corresponding to deferred M&A payments) over total capital, the latter being the sum of net financial debt (excluding other non-bank borrowings corresponding to deferred M&A payments) and net equity from the Cash business. The ratio at 30 June 2023 is of 0.75 (31 December 2022: 0.80).

6. Own shares

Details of changes in own shares during the first half of 2023 are as follows:

	Number of shares	Millions of Euros
Balance at 31 December 2022	**36,304,785**	**25.87**
Purchase of own shares	8,413,261	5.78
Other awards	(102,872)	(0.07)
Balance at 30 June 2023	**44,615,174**	**31.58**

7. Innovation

The Prosegur Cash Group is focused on an organised and systematic transformation in all of its corporate areas, business lines, processes, equipment, products and services, which entails a far-reaching cultural transformation. Its aim is to move fast in an ever-changing world and not to lag behind.

The Group invests considerably in the development of disruptive technologies, sparing no resources. In 2021, the Prosegur Group obtained a EUR 57.5 million loan from the European Investment Bank (EIB) to finance innovation, digitalisation and sustainability projects until 2023. This financing not only provides material support, but is also a form of symbolic support from a renowned financial institution.

The Prosegur Cash Group has an Innovation and Digital Transformation Plan that seeks to optimise flexibility, processes and operational efficiency. What's more, the Group focuses on energy efficiency and emissions reduction to meet the Sustainability Master Plan. This financing enables it to lead the transformation of the private security sector.

Prosegur Cash actively listens to its clients, identifies their problems and understands their needs and expectations. Only through this process can it launch products that truly respond to market demands. Prosegur Cash tries out its products with clients and, if the results are satisfactory, deploys them on a large scale. This methodology has allowed transformational ideas to become reality, even in a challenging global environment due to the pandemic.

Innovation has continued to grow both qualitatively and quantitatively in the past year, and is giving the Group the chance to develop new proposals that bring value to clients and make it stand out from its competitors. Adequately protecting this knowledge has become an intrinsic part of the innovation processes at Prosegur Cash. With this in mind, there is a Corporate Policy on Intellectual and Industrial Property backed by the Intellectual Property Committee, which is made up of representatives from the company's various strategic areas.

The Group continues to work on developing and launching world-wide technological innovation projects in 2023.

Knowledge of the security sector, the creativity and technological skills of the teams, as well as the use of available data are all fundamental pillars for building unique solutions. Prosegur Cash works both alone and in close collaboration with startups and in corporate partnerships in order to specialise in technological areas such as Artificial Intelligence (AI), Data Science, the Internet of Things (IoT), robotisation, digital twins and blockchain.

Some of the main initiatives are:

- A strategic acquisition: in 2022, Prosegur Cash took control of Change Group, the third largest currency exchange operator in the world. This transaction allowed the Group to expand its operations and accelerate growth through an integrated strategy with ChangeGroup. The goal is to build a highly digitised operation to meet client needs anywhere in the world. Agreements were also closed to offer currency exchange services at airports in Australia under the Prosegur Change brand.

- Cashback system: the Cashback system has been developed, which allows clients to avail of additional cash when paying by card, avoiding travel and high commissions. This option was complemented by gift cards that offer financial benefits for users.

- Mobile application for cash management: a mobile application was launched in 2022 that allows retailers to manage their cash in an agile and effective way. In addition, a mobile function has been developed that automates the declaration of deposits in safe deposit boxes, speeding up the digitisation of cash and facilitating access to funds.

- Depository service in Paraguay: the Group has launched its own solution for dispensing and depositing cash in commercial banks in Paraguay. This solution streamlines cash transactions and has become the standard in the country.

These emblematic projects illustrate the Group’s ongoing commitment to innovation and transformation. Prosegur Cash will continue to drive technological change in the industry and develop disruptive solutions that generate value for its clients, strengthening its position as a market leader.

8. Alternative Performance Measures

In order to comply with ESMA Guidelines on APMs, Prosegur Cash 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 Cash 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.

In this regard, it should be noted that during 2023, the APMs of Ratio of Net Financial Debt to Equity and Ratio of Net Financial Debt to EBITDA have been modified with respect to 2022, taking in this regard the net debt excluding other non-bank borrowings relating to deferred M&A payments and financial debt from lease payments, and also modifying the comparative information.

APM	Definition and calculation	Purpose
Working capital	This is a finance measure that represents the operating liquidity available for the Company. Working capital is calculated as current assets less current liabilities (excluding the short-term lease liabilities) plus deferred tax assets less deferred tax liabilities less non-current provisions.	Positive working capital is necessary to ensure that the Company can continue its operations and has sufficient funds to cover matured short-term debt as well as upcoming operating expenses. Working capital management consists of the management of inventories, payables and receivables and cash.
Organic Growth	Organic growth is calculated as an increase or decrease of income between two periods adjusted by acquisitions and disinvestments and the exchange rate effect.	Organic growth provides the comparison between years of the growth of the revenue excluding the currency effect.
Inorganic Growth	The Company calculates inorganic growth for a period as the sum of the revenue of the companies acquired minus disinvestments. The income from these companies is considered inorganic for 12 months following their acquisition date.	Inorganic growth provides the growth of the company by means of new acquisitions or disinvestments.
Exchange rate effect	The Company calculates the exchange rate effect as the difference between the revenue for the current year less the revenue for the current year using the exchange rate of the previous year.	The exchange rate effect provides the impact of currencies on the revenue of the company.
Cash flow translation rate	The Company calculates the cash translation rate as the difference between EBITDA less the CAPEX on EBITDA.	The cash flow conversion rate provides the cash generation of the Company.
Gross Financial Debt	The Company calculates gross financial debt as all financial liabilities minus other non-bank debts corresponding to deferred payments for M&A acquisitions.	Gross financial debt reflects gross financial debt without including other non-bank debt corresponding to deferred payments for M&A acquisitions
Cash availability	The Company calculates cash availability as the sum of cash and cash equivalents and any short and long term unused credit facilities.	Cash availability reflects available cash as well as potential cash available through undrawn credit facilities.
Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other payables corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies, minus equity instruments in listed companies (included under the non-current financial assets heading) and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.

Adjusted EBITA	Adjusted EBITDA is calculated on the basis of the consolidated profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, income taxes, financial income or costs, or depreciation and impairment of intangible assets, but including the depreciation and impairment 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 consolidated profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and cost of repayment or impairment of fixed assets, 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.
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.
Leverage ratio	The company calculates the leverage ratio as net financial debt divided by total capital. Net financial debt is calculated as described above and including debt associated with non-current assets held for sale. Total capital is the sum of equity plus net financial debt.	The leverage ratio provides the weight of the net financial debt over all of the Company's own and third-party financing, shedding light on its financing structure.
Ratio of net financial debt to equity	The Company calculates the ratio of net financial debt to equity by dividing the net financial debt (excluding other non-bank borrowings relating to deferred M&A payments and financial debt from lease payments) by equity as they appear in the Statement of Financial Position.	The ratio of net financial debt to shareholder equity offers the ratio of the Company's net financial debt to its equity.
Ratio of financial debt to EBITDA	The Company calculates the ratio of net financial debt to equity by dividing the net financial debt (excluding other non-bank borrowings relating to deferred M&A payments and financial debt from lease payments) by last twelve months EBITDA.	The ratio of net financial debt to EBITDA offers the ratio of the Company's net financial debt to its EBITDA, thus reflecting its payment capacity.

Working capital (in millions of Euros)	Note	31.12.2022	30.06.2023
Inventories	14	20.1	30.6
Clients and other receivables		318.0	353.8
Receivables with Prosegur Group	22	59.4	63.5
Current tax assets		58.0	37.4
Current financial assets		7.9	5.7
Cash and cash equivalents	13	315.6	267.7
Non-current assets held for sale	15	121.4	93.6
Deferred tax assets		56.6	60.8
Suppliers and other payables		(347.1)	(335.8)
Current tax liabilities		(88.8)	(62.1)
Current financial liabilities	18	(208.8)	(185.4)
Payables with Prosegur Group	22	(90.9)	(100.2)
Other current liabilities		(8.8)	(12.5)
Liabilities associated with non-current assets held for sale	15	(83.4)	(51.5)
Deferred tax liabilities		(81.5)	(82.1)
Provisions	17	(137.9)	(149.6)
Total Working Capital		**(90.2)**	**(66.1)**

Organic growth (in millions of Euros)	Note	30.06.2022	30.06.2023
Revenue current year		883.2	979.1
Less: revenue previous year		692.4	883.2
Less: inorganic growth		25.0	42.4
Exchange rate effect		9.8	(237.6)
Total Organic Growth	2 Directors' report	**156.0**	**291.1**

Inorganic growth (in millions of Euros)	Note	30.06.2022	30.06.2023
Europe		(6.9)	40.7
AOA		—	0.5
LatAm		31.9	1.2
Total Inorganic Growth	2 Directors' report	**25.0**	**42.4**

Exchange rate effect (in millions of Euros)	Note	30.06.2022	30.06.2023
Revenue current year		883.2	979.1
Less: revenue from the year underway at the exchange rate of the previous year		873.4	1,216.7
Exchange rate effect	2 Directors' report	**9.8**	**(237.6)**

Cash flow translation rate (in millions of Euros)	Note	30.06.2022	30.06.2023
EBITDA		170.3	181.6
CAPEX		27.5	47.1
Cash Flow Translation Rate (EBITDA - CAPEX / EBITDA)		**83.8 %**	**74.1 %**

Gross financial debt (In millions of Euros)	Note	31.12.2022	30.06.2023
Debentures and other negotiable securities	18	604.8	601.1
Bank borrowings	18	242.0	221.5
Credit accounts	18	47.9	47.9
Gross financial debt	5 Directors' report	**894.7**	**870.5**

Cash availability (in millions of Euros)	Note	31.12.2022	30.06.2023
Cash and cash equivalents	13	315.6	267.7
Long-term credit availability		132.0	121.0
Short-term undrawn credit facilities		200.0	175.0
Cash availability	5 Directors' report	**647.6**	**563.7**

Net financial debt (in millions of Euros)	Note	31.12.2022	30.06.2023
Financial liabilities	18	1,035.9	1,006.4
Plus: Financial debt from lease payments (excluding subleasing) and others	10	95.8	99.9
Adjusted financial liabilities (A)		1,131.7	1,106.3
Non-bank borrowings with Group (B)		—	—
Cash and cash equivalents	13	(315.6)	(267.7)
Net debt associated with non-current assets held for sale	15	(65.8)	(34.2)
Less: adjusted cash and cash equivalents (C)		(381.4)	(301.9)
Less: own shares (D)		(21.8)	(26.3)
Total Net Financial Debt (A+B+C+D)		**728.5**	**778.0**
Less: other non-bank borrowings (E)	18	(131.8)	(124.9)
Plus: own shares (F)		21.8	26.3
Less: financial debt from lease payments (excluding subleasing) (G)	10	(105.3)	(110.8)
Less: Debt from lease payments and other non-bank borrowings associated with non-current assets held for sale (H)	15	(3.1)	(3.6)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments and financial debt from lease payments) (A+B+C+D+E+F+G)	**5 Directors' report**	**510.1**	**565.0**

Adjusted EBITA (in millions of Euros)	Note	30.06.2022	30.06.2023
Consolidated profit/(loss) for the year	2 Directors' report	43.5	37.3
Income taxes	2 Directors' report	38.5	34.4
Net financial expenses	2 Directors' report	26.6	44.6
PPE depreciation and impairment (excluding computer software)	2 Directors' report	11.6	12.5
Adjusted EBITA	2 Directors' report	**120.2**	**128.8**

EBITDA (in millions of Euros)	Note	30.06.2022	30.06.2023
Consolidated profit/(loss) for the year	2 Directors' report	43.5	37.3
Income taxes	2 Directors' report	38.5	34.4
Net financial expenses	2 Directors' report	26.6	44.6
Total repayments and impairment (excluding impairment of plant, property and equipment)	2 Directors' report	61.7	65.3
EBITDA	2 Directors' report	**170.3**	**181.6**

Adjusted EBITA margin (in millions of euros)	Note	30.06.2022	30.06.2023
Adjusted EBITA	2 Directors' report	120.2	128.8
Revenue	3	883.2	979.1
Adjusted EBITA margin	2 Directors' report	**13.6 %**	**13.2 %**

Leverage ratio (in millions of Euros)	Note	31.12.2022	30.06.2023
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A and financial debt from lease payments) (A)	18	510.1	565.0
Plus: Net debt associated with non-current assets held for sale (B)	15	65.8	34.2
Plus: Debt from lease payments associated with non-current assets held for sale (C)	15	3.1	3.6
Net financial debt excluding other non-bank payables (D = A+B+C))		579.0	602.8
Plus: Net assets (E)	16	148.1	197.2
Total capital: Net financial debt excluding other non-bank payables and including net assets (F=D+E)		**727.1**	**800.0**
Leverage ratio (D/F)	2.1.2 Directors' report	**0.80**	**0.75**

Ratio of net financial debt to equity (in millions of Euros)	Note	31.12.2022	30.06.2023
Equity (A)	16	148.1	197.2
Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A and financial debt from lease payments) (B)		510.1	565.0
Ratio of net financial debt to shareholder equity (B/A)	5 Directors' report	**3.4**	**2.9**

Ratio of net financial debt to EBITDA (in millions of Euros)	Note	31.12.2022	30.06.2023
Last Twelve Months EBITDA (A)		362.5	373.8
Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A and financial debt from lease payments) (B)		510.1	565.0
Ratio of net financial debt to EBITDA (B/A)		**1.4**	**1.5**

9. Subsequent events

At the date of drawing up these condensed interim consolidated financial statements, there are no significant subsequent events that have not been disclosed in the accompanying notes.

STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL REPORT OF THE FIRST HALF OF 2023

The members of the Board of Directors of Prosegur Cash, S.A. state, to the best of their knowledge, that the financial information selected from Prosegur Cash, S.A., as well as the condensed interim consolidated financial statements of Prosegur Cash, S.A. and their subsidiaries, for the first half of 2023, drawn up by the Board of Directors, at its meeting of 26 July 2023, and prepared in accordance with the applicable accounting principles, provide a true and fair view of the assets, financial position and the profit/(loss) of Prosegur Cash, S.A., as well as of the subsidiaries included in the consolidation scope, taken as a whole, and that the respective directors' interim reports include a reliable analysis of the information required.

Madrid, 26 July 2023

Mr Christian Gut Revoredo
Executive President

Mr Daniel Guillermo Entrecanales Domecq
Director

Mr José Antonio Lasanta Luri
Managing Director

Ms Chantal Gut Revoredo
Director

Mr Pedro Guerrero Guerrero
Vice-president

Mr Antonio Rubio Merino
Director

Mr Claudio Aguirre Pemán
Director

Ms Ana Inés Sainz de Vicuña Bemberg
Director

Ms María Benjumea Cabeza de Vaca
Director

Proceeding to record that the Board of Directors of Prosegur Cash, S.A. in the meeting held in Madrid on 26 July 2023 has drawn up the Half-Yearly Financial Report for the first half of 2023, consisting of the following documents: the individual financial information selected, the consolidated financial information selected, the condensed interim consolidated financial statements and the Directors' interim report of Prosegur Cash, S.A. and its subsidiaries, and the statement of responsibility of the Directors, all corresponding to the first half of 2023; this documentation has been drawn up unanimously (by all the attending directors) by the Board of Directors of the Company, in accordance with the provisions of article 35 of Act 24/1988, of 27 July, on the Securities Market, in the meeting held on this date.

The aforementioned documents, which are presented in a single body, are transcribed in the preceding pages numbered consecutively, written only on their front and all signed purely for identification purposes by the Secretary of the Board of Directors, with the Company's seal.

The declarations of responsibility on its content have been signed by the directors of Prosegur Cash, S.A.

And all of which as Secretary of the Board of Directors, I attest to, in Madrid on 26 July 2023.

Signed: Ms Renata Mendaña Navarro

(Non-Director Secretary)

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www.prosegurcash.com