PROSEGUR CASH, S.A. AND SUBSIDIARIES

INTERIM FINANCIAL INFORMATION - QUARTERLY REPORT

Interim financial report for the first quarter of 2018

(Translation from the original in Spanish. In the event of discrepancy, The Spanish language version prevails)

PROSEGUR CASH

RESULTS OF THE JANUARY - MARCH 2018 PERIOD AND JANUARY - MARCH 2017 PERIOD

Million euros			
CONSOLIDATED RESULTS	**1Q 2017**	**1Q 2018**	**% Var.**
Sales	**486.5**	**449.5**	**-7.6%**
EBITDA	**195.5**	**104.8**	**-46.4%**
Margin	*40.2%*	*23.3%*	
Depreciation of property, plant and equipment	(12.8)	(12.8)	0.0%
Amortization of intangible assets	(4.2)	(3.9)	-7.1%
EBIT	**178.5**	**88.1**	**-50.6%**
Margin	*36.7%*	*19.6%*	
Financial results	(4.0)	5.9	**-247.5%**
EBT	**174.5**	**94.0**	**-46.1%**
Margin	*35.9%*	*20.9%*	
Taxes	(39.4)	(31.6)	**-19.8%**
Net result from continuing operations	**135.1**	**62.4**	**-53.8%**
Net result from discontinued operations	(7.3)	(0.4)	**-95.1%**
Net result	**127.8**	**62.0**	**-51.5%**
Minority interest	-	-	**-**
Consolidated net result	**127.8**	**62.0**	**-51.5%**
Margin	*26.3%*	*13.8%*	
Earnings per share (euros per share)	**0.09**	**0.04**	

DEVELOPMENTS OF THE PERIOD

- Turnover of Prosegur Cash (hereinafter Prosegur Cash Group or Prosegur Cash) decreased by 7.6% compared to the same period in 2017. The reason for this decline is the negative impact of the exchange rate, which amounts to 18.1%. In addition, sales of Prosegur Cash organically increased by 9.0% and inorganic growth contributed an additional 1.5%.

- EBIT decreased by 50.6% compared to 2017, reaching 88.1 million euros, with a margin over sales of 19.6%.

- The significant decrease in EBIT of this first quarter of 2018 compared to the same period of 2017 is due to extra-ordinary income stemming from the restructuring necessary for the IPO that took place in 2017. These revenues of 85 million euros reflected mainly the gain realized on the sale of the brand to its parent company Prosegur Compañía de Seguridad, S.A. and the sale of one of the companies in which it had a holding, Compañía Ridur, S.A. The impact of these transactions on EBIT amounted to 85 million euros.

- The net result of the activities interrupted in 2018 still includes operations of the Security business in four regions of Brazil, which are pending to be transferred to the Prosegur Group, that undertook to assume the losses or benefits generated by the business as of December 31, 2017 in accordance with the purchase agreement signed between both parties. In 2017, the net result included 27 regions of the Brazilian Security business, 23 of which were sold on 31 December 2017.

- The consolidated net result amounted to 62.0 million euros compared to 127.8 million euros in 2017.

- Isolating the extraordinary impacts (not attributable to the cash activity) mentioned above, the income statement would be as follows:

Million euros

CONSOLIDATED RESULTS	1Q 2017 ADJUSTED	1Q 2018 ADJUSTED	% Var.
Sales	**486.5**	**449.5**	**-7.6%**
EBITDA	**111.7**	**104.8**	**-6.2%**
Margin	*23.0%*	*23.3%*	
Depreciation of property, plant and equipment	(12.8)	(12.8)	**0.0%**
Amortization of intangible assets	(4.2)	(3.9)	**-7.1%**
EBIT	**94.7**	**88.1**	**-7.0%**
Margin	*19.5%*	*19.6%*	
Financial results	(3.9)	5.9	**-250.4%**
EBT	**90.8**	**94.0**	**3.5%**
Margin	*18.7%*	*20.9%*	
Taxes	(30.4)	(31.6)	**3.9%**
Net result from continuing operations	**60.4**	**62.4**	**3.4%**

INTERIM FINANCIAL REPORT (JANUARY - MARCH 2018)

(In million euros)

1. EVOLUTION OF THE BUSINESSES

The evolution of the most significant items in the consolidated income statement for the January-March 2018 period and the January-March 2017 period is detailed below:

a) Sales

Sales of Prosegur Cash during the January-March 2018 period amounted to 449.5 million euros, compared to 486.5 million euros in the same period of 2017, which represents a decrease of 7.6%. Of the total decrease in sales, a positive variation of 9.0% corresponds to pure organic growth, a positive variation of 1.5% corresponds to inorganic growth and the effect of the exchange rate represents a negative variation of 18.1%.

The following most relevant aspects related to the consolidation perimeter of Prosegur Cash have an impact on the variation of the sales figure in terms of inorganic growth:

- In Australia, the company Cash Services Australia Pty Limited was incorporated into the consolidation perimeter in February 2017. The turnover reported in the January 2018 period amounted to 0.5 million euros.

- In Spain, the companies of the Grupo Contesta were incorporated into the consolidation perimeter in September 2017. The turnover reported in the January-March 2018 period amounted to 4.4 million euros.

- In Argentina, the company Tellex S.A. was incorporated into the consolidation perimeter in March 2018. The turnover reported in the March 2018 period amounted to 0.9 million euros.

The decrease in sales is due mainly to the negative impact of the exchange rate, which amounts to 18.1%, as has already been mentioned.

The following table shows the distribution of sales of Prosegur Cash by geographical area and business line:

Million euros												
Sales	**Europe**			**AOA**			**LatAm**			**Prosegur Cash Total**		
	2017	**2018**	**%Var.**	**2017**	**2018**	**%Var.**	**2017**	**2018**	**%Var.**	**2017**	**2018**	**%Var.**
Cash in transit	**63.6**	**64.0**	**0.6%**	**15.0**	**11.1**	**-26.0%**	**243.0**	**210.4**	**-13.4%**	**321.6**	**285.5**	**-11.2%**
% of total	*57.2%*	*55.3%*		*55.8%*	*56.9%*		*69.7%*	*67.0%*		*66.1%*	*63.5%*	
Cash Management	**35.3**	**34.8**	**-1.4%**	**10.2**	**6.3**	**-38.5%**	**80.9**	**75.6**	**-6.6%**	**126.4**	**116.7**	**-7.7%**
% of total	*31.7%*	*30.1%*		*38.1%*	*32.3%*		*23.2%*	*24.1%*		*26.0%*	*26.0%*	
New products	**12.3**	**17.0**	**38.0%**	**1.7**	**2.1**	**27.3%**	**24.5**	**28.2**	**15.1%**	**38.5**	**47.3**	**22.9%**
% of total	*11.1%*	*14.7%*		*6.1%*	*10.8%*		*7.0%*	*9.0%*		*7.9%*	*10.5%*	
Total sales	**111.2**	**115.8**	**4.1%**	**26.9**	**19.5**	**-27.5%**	**348.4**	**314.2**	**-9.8%**	**486.5**	**449.5**	**-7.6%**

With regard to the geographical distribution of sales, the region of Europe accounts for 115.8 million euros, which shows an increase of 4.1% over the previous year. Sales in the LatAm region have dropped by 9.8%, amounting to 314.2 million euros. Sales in the AOA region have increased to 19.5 million euros, which represents a negative variation of 27.5% over the previous year.

With regard to the distribution of sales by business line, during the January-March 2018 period, Cash in transit sales amounted to 285.5 million euros which represents a decrease of 11.2% compared with the same period of the previous year. Sales of the Cash Management business have dropped by 7.7% to 116.7 million euros. Sales of new products amounted to 47.3 million euros, which represents an increase of 22.9%.

The following table shows the growth in sales by region with the effects of the changes in the consolidation perimeter and the exchange rate:

Million euros						
Sales						
	1Q 2017	**1Q 2018**	**%Var.**	**Organic**	**Inorganic**	**Exchange rate**
Europe	111.2	115.8	**4.1%**	0.1%	4.0%	0.0%
Latam	348.4	314.2	**-9.8%**	14.1%	0.7%	-24.6%
AOA	26.9	19.5	**-27.5%**	-21.0%	1.7%	-8.2%
Total sales	**486.5**	**449.5**	**-7.6%**	**9.0%**	**1.5%**	**-18.1%**

b) Operating results

The net operating profit (EBIT) of the January-March 2018 period amounted to 88.1 million euros, while in the same period in 2017 amounted to 178.5 million euros, which represents a decrease of 50.6%. The EBIT margin over sales in the January-March 2018 period stood at 19.6%, while the margin of the previous year stood at 36.7%.

The significant decrease in EBIT of this first quarter of 2018 compared to the same period of 2017 is due to extra-ordinary income, already mentioned above, arising mainly from the sale of the brand as well as from the sale of one of the companies in which it had a holding. The positive impact of these transactions on EBIT amounted to 85 million euros. EBIT for the period from January to March of the 2018 fiscal year was 88.1 million euros, while in the same period of 2017, isolating the extraordinary items mentioned in that period, amounted to 94.7 million euros, which represents a decrease of 7.0%. This decrease has been due to a negative impact of the exchange differences in Latin America. The EBIT margin on sales in the January - March 2018 period reached 19.6%, while the margin corresponding to the same period of the previous year stood at 19.5%. This growth is due to the good performance in local currency of Prosegur Cash group in most of the geographies, as well as to the greater penetration of new products.

c) Financial results

In the January-March 2018 period, Prosegur Cash obtained a positive result of 5.9 million euros compared to a negative result of 3.9 million euros in the same period of 2017 (once the unassigned financial results attributable to the loans granted and contracted with the Prosegur Group in 2017, amounting to 0.1 million euros, are isolated), which represents an increase of 9.8 million euros. The main variations in the financial result are the following:

- Net financial expenses for interest in the January-March 2018 period were 5.3 million euros, compared to 4.5 million euros in 2017, which represents an increase of 0.8 million euros (once the unassigned financial expenses attributable to the loans contracted with the Prosegur Group in 2017, amounting to 0.1 million euros, are isolated).

- The positive exchange rate differences in the January-March 2018 period amounted to 11.2 million euros, mainly as a result of a loan contracted in a currency other than the functional currency, compared to 0.6 million euros in the same period of 2017.

Net results

The consolidated net result in the January - March 2018 period amounted to 62.0 million euros compared to 127.8 million euros in the same period of 2017. The main variation is due to extra-ordinary revenues obtained in 2017 from the sale of the brand and the sale of one of the companies in which it had a holding. Isolating the effects of the restructuring for the IPO in 2017, the net result would have improved by 2.0 million euros, which would have meant an increase of 3.4%.

The effective tax rate stood at 33.6% in the first quarter of 2018, compared to 22.6% in the first quarter of 2017, which represents an increase of, approximately, 11 percentage points. If we isolate the extraordinary effects of 2017, the effective tax rate would have stood at 33.5% in the first quarter of 2017 compared to 33.6% in the first quarter of 2018, remaining stable with respect to the previous year.

2. SIGNIFICANT EVENTS AND TRANSACTIONS

Significant events

On 1 March 2018, Prosegur Cash acquired 100% of the company Tellex, S.A. located in Argentina and whose main activity is the sale and maintenance of ATMs. This transaction might require an investment of up to 14 million euros for Prosegur Cash.

3. CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information has been drawn up in accordance with the International Financial Reporting Standards (IFRS) applicable on March 31, 2018. These accounting principles have been applied in the 2018 and 2017 financial periods.

These financial statements have been drawn up in accordance with IFRS 9, on 1 January 2018. The only identified impact is a new model for calculating the impairment of financial assets as it changes the calculation method to the expected credit losses over the life of the asset.

Million euros

CONSOLIDATED BALANCE SHEET	31/12/2017	31/03/2018
Non-current assets	**829.5**	**821.0**
Plant, property and equipment	279.3	278.4
Goodwill	318.7	316.1
Intangible assets	159.2	149.9
Investments in associate companies	29.3	28.8
Non-current financial assets	5.7	6.5
Other non-current assets	37.3	41.3
Current assets	**877.3**	**890.8**
Non-current assets held for sale	45.6	24.5
Inventories	6.1	14.3
Clients and accounts receivable	489.7	525.2
Accounts receivable from Prosegur Group	18.1	11.4
Treasury and other financial assets	317.8	315.4
Total Assets	**1,706.8**	**1,711.8**
Equity	**263.8**	**290.0**
Share capital	30.0	30.0
Retained earnings and other reserves	233.8	260.0
Non current liabilities	**850.7**	**839.7**
Bank loans and other financial liabilities	696.9	690.2
Other non-current liabilities	153.8	149.5
Current liabilities	**592.3**	**582.1**
Bank loans and other financial liabilities	77.5	54.1
Trade and other accounts payable	425.0	420.8
Accounts payable to Prosegur Group	48.4	68.9
Liabilities directly associated with non current assets held for sale	26.8	23.7
Other current assets	14.6	14.6
EQUITY AND LIABILITES	**1,706.8**	**1,711.8**

The main changes in the items of the consolidated balance sheet as of March 31, 2018 with respect to the end of 2017 are summarized below:

a) Property, plant and equipment

Investments in property, plant and equipment during the period from January to March 2018 amounted to 18.9 million euros.

b) Goodwill

During the first quarter of 2018, impairment losses on goodwill have not been recognized.

c) Equity

Variations in net equity during the January to March 2018 period are mainly attributable to the net result of the period and the evolution of the reserve due to cumulative translation difference.

d) Net debt

Prosegur Cash calculates net debt as total debt with credit institutions (including current and non-current borrowings), less cash and cash equivalents, and less other current financial assets.

Net debt as of 31 March 2018 stood at 400.2 million euros, which represents a decrease of 23.9 million euros since 31 December 2017 (424.1 million euros).

As of 31 March 2018, the ratio of total net debt to annualized EBITDA was 0.95 and the ratio of total net debt to equity stood at 1.38.

As of 31 March 2018, financial liabilities with credit institutions correspond mainly to:

- Straight bond issue amounting to 594 million euros (including interest) maturing in February 2026.
- 272 million South African rand (18.6 million euros) 4-year loan with bullet repayment to finance part of the acquisition of SBV Services Proprietary Limited.
- In April 2017, Prosegur, through its subsidiary company Prosegur Australia PTY Limited, entered into 70 million Australian dollars syndicated financing facility with a three-year maturity period.

Below is the total net cash flow of the Cash business generated in the January - March 2018 period;

Million euros	
CONSOLIDATED CASH FLOW	**31/03/2018**
EBITDA	104.8
Adjustments to profit or loss	16.9
Income tax	(26.4)
Changes in working capital	(29.6)
Interest payments	(6.3)
OPERATING CASH FLOW	**59.4**
Acquisition of Property, plant and Equipment	(18.9)
Payment acquisition of subsidiaries	(7.2)
Dividends	(21.4)
Other cash flows from investing / financing activities	18.4
CASH FLOW FROM INVESTING / FINANCING	**(29.1)**
TOTAL NET CASH FLOW	**30.3**
INITIAL NET DEBT (31/12/2017)	**(424.1)**
Net (Decrease) / Increase in treasury	30.3
Exchange rate effect	(6.4)
FINAL NET DEBT (31/03/2018)	**(400.2)**

4. ALTERNATIVE PERFORMANCE MEASURES

In order to comply with the ESMA Guidelines on APM's, Prosegur presents this additional information to improve the comparability, reliability and comprehensibility of its financial information. The Company presents its results in accordance with the generally accepted accounting standards (IFRS), however, the Company's Management considers that certain Alternative Performance Measures provide useful additional financial information that should be taken into consideration when evaluating the Company's performance. The Company's Management also uses these APM's to make financial, operational and planning decisions, and to evaluate the performance of the Company. Prosegur provides the APM's it considers relevant to the decision-making needs of users and firmly believes that they provide a true picture of its financial information.

APM	Definition and calculation	Purpose
Working capital	A financial measure showing the Group's operational liquidity. Working capital is calculated as current assets less current liabilities, plus deferred tax assets less deferred tax liabilities, less non-current provisions.	Positive working capital is needed to ensure that a company is able to continue operating and has sufficient funds with which to meet its current debt obligations and imminent operating expenses. The management of working capital requires the Group to control inventories, accounts receivable and payable and cash.
EBIT Margin	EBIT Margin is calculated as results from operating activities divided by total revenue.	EBIT margin provides a view of the company's operating results in comparison with the total revenue.
Adjusted EBIT Margin	Adjusted EBIT Margin is calculated as results from operating activities, after eliminating the results that can not be assigned to any segment, divided by total revenue.	Adjusted EBIT Margin provides a view of the company´s operating pure results in comparison with the accrued revenue.
Organic Growth	Organic Growth is calculated as the increase or decrease in revenue between two periods adjusted for acquisition and divestitures and changes in exchange rate.	Organic Growth provides a view of the company's organic revenue growth.
Inorganic Growth	Company calculates Inorganic growth for a given period as the aggregation of all the revenues from all the acquired entities during the last 12 months.	Inorganic Growth provides a view of the company's increase or decrease of revenue due to M&A or Sales variations.
Effect of exchange rate fluctuations	The Group calculates the Effect of exchange rate fluctuations as the different of Revenues for the current year less revenues for the current year at exchange rates of previous year.	The Effect of exchange rate fluctuations provides the impact of the currencies in the company's revenues.
Cash Flow Conversion	The Group calculates Cash Flow Conversion Rate as the ratio between EBITDA minus capital expenditures over EBITDA.	Cash Flow Conversion provides the capacity of cash generation of the company.
Net Financial Debt	The Group calculates Net Financial Debt as the sum of current and non-current financial liabilities (including other non-bank payables corresponding to deferred payments for M&A acquisitions and financial liabilities with Group companies) less cash and cash equivalents, less current investments in group companies, less other current financial assets.	Net Financial Debt provides the absolute figure of the Groups level of debt.
EBITA	EBITA is calculated on the Group's Consolidated profit for the year without factoring in loss from discontinued operation net of tax, income tax expenses, net finance income or cost and amortisation of goodwill or of intangible assets, but including amortisation of software.	EBITA provides a view of the company's earnings before interest, taxes and amortisation of goodwill or of intangible assets.
EBITDA	EBITDA is calculated on the Group's Consolidated profit without factoring in loss from discontinued operations net of tax, income tax expenses, net finance income or cost and any depreciation or amortisation of goodwill.	EBITDA provides an accurate view of what a company is earning or losing from its business. EBITDA excludes non-cash variables, which can vary significantly from one company to another, depending on the accounting policies applied. Depreciation and amortisation are non-monetary variables and are therefore of limited interest to investors.

Working Capital (Million Euros)	31.03.2018	31.12.2017
Non-Current Assets held-for-sale	24.5	45.6
Inventories	14.3	6.1
Trade and other receivables	407.6	383.6
Current receivables with Prosegur group companies	11.4	18.1
Current tax assets	117.6	106.0
Cash and cash equivalents	315.4	317.8
Deferred tax assets	40.8	37.3
Trade and other payables	(299.9)	(314.4)
Current tax liabilities	(120.9)	(105.0)
Financial liabilities	(54.1)	(77.5)
Current payables with Prosegur group companies	(68.9)	(48.4)
Liabilities held-for-sale	(23.7)	(26.8)
Other current liabilities	(10.4)	(14.6)
Deferred tax liabilities	(26.7)	(26.5)
Provisions	(127.0)	(132.8)
Total Working Capital	**200.0**	**168.5**

Adjusted EBIT Margin (Million Euros)	31.03.2018	31.03.2017
EBIT	88.1	178.5
Less: items not assigned	-	(83.8)
Adjusted EBIT	88.1	94.7
Revenues	449.5	486.5
Adjusted EBIT Margin	**19.6%**	**19.5%**

Organic Growth (Million Euros)	31.03.2018	31.03.2017
Revenues for current year	449.5	486.5
Less: Revenues for the previous year	486.5	387.9
Less: Inorganic Growth	7.2	5.3
Effect of exchange rate fluctuations	(88.0)	30.4
Total Organic Growth	**43.8**	**62.9**

Inorganic Growth (Million Euros)	31.03.2018	31.03.2017
Grupo Contesta	4.4	-
Procesos Tecnicos de Seguridad y Valores	-	1.4
Tellex	0.9	-
Toll + CSA	0.5	3.9
Others	1.4	-
Total Inorganic Growth	**7.2**	**5.3**

Effect of exchange rate fluctuations (Million Euros)	31.03.2018	31.03.2017
Revenues for current year	449.5	486.5
Less: Revenues for the current year at exchange rate of previous year	537.5	456.1
Effect of exchange rate fluctuations	**(88.0)**	**30.4**

Cash Flow Conversion Rate (Million Euros)	**31.03.2018**	**31.03.2017**
EBITDA	104.8	195.5
Less: items not assigned	-	(83.8)
Adjusted EBITDA	104.8	111.7
CAPEX	18.8	25.4
Cash Flow Conversion Rate (adjusted EBITDA - CAPEX / adjusted EBITDA)	**82%**	**77%**

Net Financial Debt (Million Euros)	**31.03.2018**	**31.12.2017**
Financial liabilities	744.3	774.5
Adjusted financial liabilities **(A)**	744.3	774.5
Not assigned financial liabilities with group companies **(B)**	-	-
Cash and cash equivalents	(315.4)	(317.8)
Less: adjusted cash and cash equivalents **(C)**	(315.4)	(317.8)
Less: not assigned current investments in group companies **(D)**	-	(23.2)
Total Net Financial Debt (A+B+C+D)	**428.9**	**433.5**
Less: Treasury shares	-	(2.1)
Total Net Financial Debt including treasury shares (A+B+C+D)	**428.9**	**431.4**
Less: other non-bank payables **€**	(30.4)	(9.4)
Treasury shares	1.7	2.1
Total Net Financial Debt (excluding other non-bank payables corresponding to deferred payments for M&A acquisitions) **(A+B+C+D+E)**	**400.2**	**424.1**

EBITA (Million Euros)	**31.03.2018**	**31.03.2017**
Consolidated profit for the year	62.0	127.8
Loss from discontinued operation, net of tax	0.4	7.3
Income tax expenses	31.6	39.4
Net finance income / costs	(5.9)	4.0
Amortizations	3.9	4.2
EBITA	**92.0**	**182.7**

EBITDA (Million Euros)	**31.03.2018**	**31.03.2017**
Consolidated profit for the year	62.0	127.8
Loss from discontinued operations, net of tax	0.4	7.3
Income tax expenses	31.6	39.4
Net finance income / costs	(5.9)	4.0
Depreciation and amortization	16.7	17.0
EBITDA	**104.8**	**195.5**