



# Condensed interim consolidated financial statements statements for the six-month period ended 30 June 2022

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

Prosegur Compañía de Seguridad, 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	
		2022	2021
Revenue	5	2,001,923	1,637,427
Cost of sales	6, 7	(1,537,924)	(1,276,276)
<b>Gross profit/(loss)</b>		<b>463,999</b>	<b>361,151</b>
Other income	8	13,390	23,876
Administration and sales expenses	6, 7	(349,370)	(303,362)
Other expenses	8	(2,263)	(3,209)
Equity accounted for using the equity method	13	(3,831)	(142)
<b>Operating profit/(loss) (EBIT)</b>		<b>121,925</b>	<b>78,314</b>
Financial income	9	26,196	23,467
Financial expense	9	(49,134)	(27,280)
Net financial expenses		(22,938)	(3,813)
<b>Profit/(loss) before tax</b>		<b>98,987</b>	<b>74,501</b>
Income tax	20	(50,309)	(45,835)
<b>Post-tax profit of ongoing operations</b>		<b>48,678</b>	<b>28,666</b>
<b>Consolidated profit/(loss) for the period</b>		<b>48,678</b>	<b>28,666</b>
Attributable to:			
Owners of the parent		39,911	26,333
Non-controlling interests		8,767	2,333
<b>Proceeds per share from ongoing operations attributable to the owners of the parent company (Euros per share)</b>			
- Basic	17	0.07	0.05
- Diluted	17	0.07	0.05

The Notes on pages 10 to 51 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	
	2022	2021
<b>Profit/(loss) for the period</b>	<b>48,678</b>	<b>28,666</b>
<b>Other comprehensive income:</b>		
<b>Items that are not going to be reclassified to profit/(loss)</b>		
Changes in the fair value of equity instruments	50,773	31,204
	<b>50,774</b>	<b>31,204</b>
<b>Items that are going to be reclassified to profit/(loss)</b>		
Translation differences for foreign operations	150,809	51,271
<b>Total comprehensive income for the period, net of tax</b>	<b>250,260</b>	<b>111,141</b>
Attributable to:		
- Owners of the parent	224,716	101,019
- Non-controlling interests	25,544	10,122
	<b>250,260</b>	<b>111,141</b>

The Notes on pages 10 to 51 form an integral part of these condensed interim consolidated financial statements.

**III. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(In thousands of Euros)	Note	30 June 2022	31 December 2021
<b>ASSETS</b>			
Property, plant and equipment	11	649,927	616,276
Rights of use	11	87,094	93,230
Goodwill	11	684,877	628,908
Other intangible assets	11	374,255	351,687
Property investments	11	65,559	55,345
Investments accounted for using the equity method	13	269,110	265,711
Non-current financial assets	12	289,917	233,128
Deferred tax assets		122,228	106,885
<b>Non-current assets</b>		<b>2,542,967</b>	<b>2,351,170</b>
Inventories	15	87,166	65,351
Clients and other receivables		849,416	733,160
Current tax assets		66,893	80,537
Other financial assets		8,907	955
Cash and cash equivalents	14	1,094,793	584,950
Non-current assets held for sale	16	92,008	—
<b>Current assets</b>		<b>2,199,183</b>	<b>1,464,953</b>
<b>Total assets</b>		<b>4,742,150</b>	<b>3,816,123</b>
<b>EQUITY</b>			
Share capital	17	32,916	32,916
Share premium	17	25,472	25,472
Own shares	17	(42,159)	(29,439)
Translation differences		(618,252)	(752,285)
Retained earnings and other reserves		1,499,747	1,415,731
<b>Equity attributed to holders of equity instruments of the parent company</b>		<b>897,724</b>	<b>692,395</b>
Non-controlling interests		41,535	18,331
<b>Total equity</b>		<b>939,259</b>	<b>710,726</b>
<b>LIABILITIES</b>			
Financial liabilities	19	1,441,206	1,433,393
Lease liabilities	11	72,117	71,985
Deferred tax liabilities		75,539	77,306
Provisions	18	225,248	201,315
Other non-current liabilities		28,553	24,791
<b>Non-current liabilities</b>		<b>1,842,663</b>	<b>1,808,790</b>
Suppliers and other payables		744,243	814,698
Current tax liabilities		157,029	162,534
Financial liabilities	19	937,355	246,679
Lease liabilities	11	27,044	30,080
Provisions	18	834	1,033
Other current liabilities		42,693	41,583
Liabilities associated with non-current assets held for sale	16	51,030	—
<b>Current liabilities</b>		<b>1,960,228</b>	<b>1,296,607</b>
<b>Total liabilities</b>		<b>3,802,891</b>	<b>3,105,397</b>
<b>Total equity and liabilities</b>		<b>4,742,150</b>	<b>3,816,123</b>

The Notes on pages 10 to 51 form an integral part of these condensed interim consolidated financial statements.

**IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**PERIOD ENDED 30 JUNE 2022**

(In thousands of Euros)

	Equity attributed to holders of equity instruments of the parent company					Total	Non-controlling interests	Total equity
	Capital (Note 17)	Share premium (Note 17)	Own shares (Note 17)	Translation differences (Note 17)	Retained earnings and other reserves			
<b>Balance at 1 January 2022</b>	<b>32,916</b>	<b>25,472</b>	<b>(29,439)</b>	<b>(752,285)</b>	<b>1,415,731</b>	<b>692,395</b>	<b>18,331</b>	<b>710,726</b>
Total comprehensive income for the period ended 30 June 2022	—	—	—	134,033	90,683	224,716	25,544	<b>250,260</b>
Purchase of own shares	—	—	(13,231)	—	—	(13,231)	—	<b>(13,231)</b>
Exercise of share incentives to employees	—	—	511	—	1,059	1,570	57	<b>1,627</b>
Other changes	—	—	—	—	(7,726)	(7,726)	(2,397)	<b>(10,123)</b>
<b>Balance at 30 June 2022</b>	<b>32,916</b>	<b>25,472</b>	<b>(42,159)</b>	<b>(618,252)</b>	<b>1,499,747</b>	<b>897,724</b>	<b>41,535</b>	<b>939,259</b>

The Notes on pages 10 to 51 form an integral part of these condensed interim consolidated financial statements.

**PERIOD ENDED 30 June 2021**

(In thousands of Euros)

	Equity attributed to holders of equity instruments of the parent company					Total	Non-controlling interests	Total equity
	Capital (Note 17)	Share premium (Note 17)	Own shares (Note 17)	Translation differences (Note 17)	Retained earnings and other reserves			
<b>Balance at 1 January 2021</b>	<b>32,916</b>	<b>25,472</b>	<b>(14,550)</b>	<b>(805,584)</b>	<b>1,456,951</b>	<b>695,205</b>	<b>22,912</b>	<b>718,117</b>
Total comprehensive income for the period ended 30 June 2021	—	—	—	43,481	57,538	101,019	10,122	<b>111,141</b>
Purchase of own shares	—	—	(14,328)	—	—	(14,328)	—	<b>(14,328)</b>
Exercise of share incentives to employees	—	—	382	—	2,092	2,474	—	<b>2,474</b>
Other changes	—	—	—	—	(13,138)	(13,138)	2,207	<b>(10,931)</b>
<b>Balance at 30 June 2021</b>	<b>32,916</b>	<b>25,472</b>	<b>(28,496)</b>	<b>(762,103)</b>	<b>1,503,443</b>	<b>771,232</b>	<b>35,241</b>	<b>806,473</b>

Notes on pages 10 to 51 form an integral part of these condensed interim consolidated financial statements.

**V. CONSOLIDATED STATEMENT OF CASH FLOWS**

(In thousands of Euros)

Six month period ended 30 June

	Note	2022	2021
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) of the period</b>		<b>48,678</b>	<b>28,666</b>
<i>Adjustments for:</i>			
Depreciation and amortisation	6, 11	104,466	93,109
Other income and expenses	6.8	1,172	4,529
Impairment losses on trade receivables and inventories	8,16	(2,140)	515
Loss for impairment of non-current assets	11	246	—
Investments accounted for using the equity method	13	3,831	142
Changes in provisions	18	18,080	10,152
Financial income	9	(30,539)	(24,406)
Financial expense	9	49,134	27,280
(Profit)/loss from disposals and sales of fixed assets		3,071	1,891
Income tax	20	50,309	45,835
<b>Changes in working capital, excluding the effect of acquisitions and translation differences</b>			
Inventories	15	(18,720)	(4,003)
Clients and other receivables		(93,330)	(25,185)
Suppliers and other payables		(32,228)	2,793
Payments of provisions	18	(8,256)	(9,520)
Other current liabilities		4,949	8,747
<b>Cash generated from operations</b>			
Interest payments		(19,832)	(19,171)
Income tax paid		(49,102)	(32,584)
<b>Net cash generated from operating activities</b>		<b>30,389</b>	<b>108,789</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of subsidiaries, net of cash and cash equivalents		—	—
Proceeds from the sale of property, plant and equipment		—	—
Interest received		4,518	2,510
Proceeds from the sale of financial assets		—	150,000
Investments accounted for using the equity method		(3,836)	(1,424)
Purchase of subsidiaries, net of cash and cash equivalents	22	(5,810)	(17,999)
Payments for the purchase of property, plant and equipment	11	(45,439)	(41,548)
Payments for the purchase of intangible assets	11	(18,909)	(14,474)
Payments for the purchase of non-controlling interests		(1,400)	—
Payments for the purchase of financial assets	12	(8,348)	(108)
Dividend collection		7,333	9,809
<b>Net cash generated from investing activities</b>		<b>(71,891)</b>	<b>86,766</b>
<b>Cash flows from financing activities</b>			
Payments from the purchase of own equity instruments.	17	(22,649)	(25,100)
Proceeds from obligations and other negotiable securities	19	500,000	—
Proceeds from debts with credit institutions	19	275,608	169,257
Payments from debts with credit institutions	19	(115,008)	(444,220)
Payments from lease liabilities	11	(22,566)	(24,314)
Payments from other financial liabilities		(7,405)	(13,869)
Paid dividends	17	(36,940)	(40,507)
<b>Net cash generated from financing activities</b>		<b>571,040</b>	<b>(378,753)</b>
Net increase (decrease) in cash and cash equivalents		529,537	(183,197)
Cash and cash equivalents at the beginning of the year		584,950	767,011
Effect of exchange differences on cash		20,298	(1,438)
<b>Cash and equivalents at the end of the year</b>		<b>1,134,786</b>	<b>582,376</b>
includes:			
- Cash and cash equivalents at the end of the period of ongoing operations		1,094,793	582,376
- Cash and cash equivalents at the end of the period of ANMV (Note 16)		39,993	—

The Notes on pages 10 to 51 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 is a business group made up of Prosegur Compañía de Seguridad, S.A. (hereinafter “the Company”) and its subsidiaries (together, Prosegur) which provides private securities logistics in the following countries: Germany, Argentina, Australia, Brazil, Chile, China, Colombia, Costa Rica, Ecuador, El Salvador, Spain, the United States, the Philippines, Guatemala, Honduras, India, Indonesia, Luxembourg, Mexico, Nicaragua, Paraguay, Peru, Portugal, United Kingdom, Singapore, South Africa and Uruguay.

Prosegur is organised into the following business lines:

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

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

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

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

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

The individual and consolidated annual accounts of Prosegur Compañía de Seguridad, S.A. for 2021 were approved by the Shareholders General Meeting held on 2 June 2022.

## **Structure of Prosegur**

Prosegur Compañía de Seguridad, S.A. is the Parent of a Group made up of subsidiaries, listed in Appendix I of the Notes to the Consolidated Annual Accounts at 31 December 2021. Likewise, Prosegur has Joint Arrangements in place (Notes 16, 17 and Appendix II of the Notes to the Consolidated Annual Accounts at 31 December 2021).

Prosegur holds interests of less than 20% in the share capital of other entities. It does not exert significant influence over these entities (Note 18 of the Consolidated Annual Accounts at 31 December 2021).

Details of the principles applied to prepare the Prosegur Consolidated Annual Accounts and define the consolidation scope are provided in Note 35.2 and Note 2 to the Consolidated Annual Accounts at 31 December 2021, respectively.

## **2. Basis for presentation, estimates made and accounting policies**

These condensed interim consolidated financial statements of Prosegur, for the six-month period ended 30 June 2022, 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, emphasising the new activities, events and circumstances that occurred during the six-month period ended 30 June 2022, and not duplicating the information previously published in the Consolidated Annual Accounts for 2021.

Therefore, and for a proper understanding of the information included in these condensed interim consolidated financial statements, they should be read together with Prosegur Consolidated Annual Accounts for the year ended 31 December 2021, 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 new standards effective as of 1 January 2022, described in Appendix I, the accounting policies applied in these condensed interim consolidated financial statements at 30 June 2022, are consistent with those applied in the preparation of Prosegur’s Consolidated Annual Accounts at 31 December 2021, the detail of which is included in Note 35 of said Consolidated Annual Accounts. Additionally, Note 16 details the policies applied in relation to non-current assets and liabilities held for sale, which were not provided in the consolidated annual accounts of the previous year as the Cash Group did not have assets or liabilities of this nature as of 31 December 2021.

### **Estimates, assumptions and relevant judgements**

The preparation of the condensed interim consolidated financial statements has required the application of relevant accounting estimates and the making of judgements, estimates and assumptions in the process of application of Prosegur accounting policies and valuation of the assets, liabilities and profit and loss. The estimates are the same as indicated in the Notes to the Consolidated Annual Accounts for 2021.

Corporate Income Tax for the six-month period ended 30 June 2022 is calculated using the 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 financial statements, in addition to the consolidated figures for the six-month period ended 30 June 2022, the condensed interim consolidated financial statements show those for the same period the previous year, except for the consolidated statement of financial position which shows the consolidated figures for the twelve-month period ended 31 December 2021.

## **3. Changes to the Group's structure**

In Appendix I to the Consolidated Annual Accounts for the year ended 31 December 2021, relevant information is provided on the Group companies that were consolidated at that date.

The following companies were incorporated during the first half of 2022:

- In February 2022 Forex Prosegur Change Limited was incorporated in the United Kingdom.
- In May 2022 Prosegur Change USA LLC was incorporated in the United States.

The following companies were wound up during the first half of 2022:

- In March 2022, Rosegur Fire SRL and Rosegur Training SRL were wound up in Romania.
- In May 2022, Prosegur Assets Management S.L.U. was wound up in Spain.

Furthermore, the following mergers took place between subsidiaries in 2022:

- In June 2022, the takeover merger of Tapia Seguridad S.L.U., by Prosegur Soluciones Integrales de Seguridad España S.L.U., was formalised in Spain, with effect 1 January 2022.

Additionally, other changes to the consolidation scope in the first half of 2022 are acquisitions of subsidiaries, details of which are provided in Note 22.

#### 4. Events occurred since the end of 2021

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 2022 are detailed below:

##### **Ukraine war**

The instability in the international geopolitical situation, caused by the military invasion of the Russian Federation in Ukraine in February 2022, is causing a significant increase in prices of raw materials, energy prices and currency exchange rates.

Despite the environment of uncertainty described, the Group estimates that the war in Ukraine does not have a significant impact on its interim consolidated financial statements, since it does not operate in the geographical area in which the conflict takes place, and its lines of activity and its income statement have not been affected by the instability and by the increase in the cost of energy.

##### **Financing**

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

##### **Treasury stock**

The Board of Directors of Prosegur Compañía de Seguridad S.A. decided on 5 May 2022 to bring to an end the own share buyback programme approved by the Board of Directors of the Company on 30 September 2020 within the maximum term initially set, which ended 5 November 2023. Under the Programme, the Company has acquired a total of 3,577,356 shares, representing approximately 0.65% of its share capital. In accordance with the aim of the programme to reduce the Company's share capital, the Board of Directors will submit to the next Ordinary Shareholders General Meeting, to be held by the Company in 2023, the approval of a share capital reduction to redeem the shares acquired under the programme.

On 21 June 2022, Prosegur acquired a package of 1,737,600 of its own shares from an institutional investor, representing 0.32% of the share capital, at a price of EUR 1.644 per share, with a discount of EUR 0.01 per share (Note 17).

On 23 June 2022, Prosegur acquired a package of 5,952,583 of its own shares from an institutional investor, representing 1.09% of the share capital, at a price of EUR 1.642 per share, with a discount of EUR 0.01 per share (Note 17).

##### **COVID-19**

During the first half of 2022, there was a recovery in the activity in most of the markets in which the Prosegur Group operates in its different business lines, close to pre-pandemic volumes. Additionally, there were no significant impacts on the condensed interim consolidated financial statements related to COVID-19 beyond the lockdowns and the unproductive hours increase due to our employees' sick leaves

## Resolution of Spain's National Commission on Markets and Competition (Cash)

On 20 June 2022, the National Court upheld the appeal that Prosegur filed against the ruling given on 10 November 2016 by the Competition Chamber of the Council of the National Commission on Markets and Competition, declaring the aforementioned ruling and the fine imposed therein as null and void. As a result, Prosegur has reversed the provision it had recorded associated with this procedure for EUR 8,695 thousand.

## 5. Revenue

Details of revenue for the periods ended 30 June 2022 and 2021 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
Provision of services	1,913,720	1,573,353
Sale of goods	18,845	8,559
Proceeds from operating leases	69,358	55,515
<b>Total revenue</b>	<b>2,001,923</b>	<b>1,637,427</b>

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

See Note 10 for further information on revenue by segment and geographical area.

## 6. Cost of sales and administration and sales expenses

The main cost of sales and administration and sales expenses in the income statement for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
Supplies	101,411	70,450
Employee benefits expenses (Note 7)	1,143,115	979,728
Operating leases	14,573	13,707
Supplies and external services	149,187	105,716
Depreciation and amortisation	39,211	35,090
Other expenses	90,427	71,585
<b>Total cost of sales</b>	<b>1,537,924</b>	<b>1,276,276</b>
	<b>2022</b>	<b>2021</b>
Supplies	3,867	2,652
Employee benefits expenses (Note 7)	174,979	154,328
Operating leases	1,983	1,228
Supplies and external services	74,808	67,826
Depreciation and amortisation	65,255	58,019
Other expenses	28,478	19,309
<b>Total administration and sales expenses</b>	<b>349,370</b>	<b>303,362</b>

Total supplies in the consolidated income statement for the six-month period ended 30 June 2022 amount to EUR 105,278 thousand (2021: EUR 73,102 thousand).

The general increase in most of the entries is due to the negative impact on the Prosegur Group's activity caused by the COVID-19 pandemic during the first six months of 2021, and the cost containment policies that the Prosegur Group implemented to mitigate the impacts of the pandemic.

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 11.4).

## 7. Employee benefits expenses

Details of employee benefits expenses for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
Wages and salaries	1,012,198	871,194
Social Security expenses	240,679	214,537
Other employee benefits expenses	43,891	32,265
Indemnities	21,326	16,060
<b>Total employee benefits expenses</b>	<b>1,318,094</b>	<b>1,134,056</b>

The general increase in most of the entries is due to the return to pre-COVID situation in most of the countries where the Group operates.

The accrual of the long-term incentive associated with the 2018-2020 Plan, 2021-2023 Plan and the Retention Plan for the Executive President, Managing Director and the Management of the Group is included under the heading on wages and salaries (Note 18).

The heading on indemnities includes the provision for occupational risks (Note 18).

## 8. Other income and expenses

### Other expenses

Details of “Other expenses” in the income statement for the six-month periods ended 30 June 2022 and 2021 are as follows:

		Thousands of Euros	
		Period ended 30 June	
		<u>2022</u>	<u>2021</u>
Loss/Reversals for impairment of receivables		2,387	(270)
Loss for impairment of non-current assets	(Note 11)	(246)	—
Net losses on disposal of fixed assets/ANMV		(3,069)	(1,891)
Other expenses		(1,333)	(1,048)
<b>Total other expenses</b>		<b><u>(2,263)</u></b>	<b><u>(3,209)</u></b>

### Other income

The heading on “Other income” for the first six months of 2022 primarily records the following income:

- Income generated from the reversal of the provision associated with the sanctions proceedings brought by Spain’s National Commission on Markets and Competition (Cash) for alleged anti-competitive practices for an amount of EUR 8,695 thousand after the National Court upheld the appeal filed by Prosegur against the ruling given on 10 November 2016 by the Competition Chamber of the Council of the National Commission on Markets and Competition, declaring the aforementioned ruling and the fine imposed therein as null and void.
- Income generated from the property investments located in Argentina and France (Note 11.2). Income generated during the first six months of 2022 amounted to EUR 1,526 thousand.

The heading “Other income” for the first six months of 2021 primarily recorded the following income:

- Income generated from the non-refundable subsidies accrued awarded by the Administration to maintain jobs in the aviation security sector in the United States in the context of the COVID-19 pandemic for EUR 16,353 thousand.
- Income generated from the property investments located in Argentina and France (Note 11.2). Income generated during the first six months of 2021 amounted to EUR 1,954 thousand.

## 9. Net financial expenses

Details of net financial expenses for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
Borrowing costs	(17,342)	(11,900)
Interest received	6,480	2,199
Net (loss)/profit on foreign currency transactions	(22,721)	(13,088)
Financial expenses for the update of lease liabilities	(2,438)	(2,292)
Net financial income from the net monetary position	12,383	10,732
Dividend collection	7,333	9,810
Other expenses and net financial income	(6,633)	726
<b>Total net financial expenses</b>	<b>(22,938)</b>	<b>(3,813)</b>

The main variations associated with interest expenses on obligations and other similar securities which have increased as a result of the issuance of uncovered bonds for the nominal amount of EUR 500,000 during the first six months of 2022, the increase in interest received associated with the profit/(loss) of the investment of cash surpluses, mainly from Argentina and as a result of the volatility of foreign currencies included under the heading of net gains/losses on foreign currency intercompany transactions during the last years, which were performed in order to protect the Group from currency devaluation.

Other net financial income and expenses have increased as a result of the fact that during the first six months of 2021 there was a reversal of the late payment interest associated with tax liabilities related to the disputed tax assessments initiated by the Spanish administration for EUR 12,324 thousand and the increase in financial expenses due to the monetary adjustment of deferred payments of business combinations and court deposits associated with labour actions opened in Brazil and Argentina.

In addition, as a result of the application during the first six months of 2022 of IAS 29, net financial income has arisen from the net monetary position for the amount of EUR 12,383 thousand. That item reflects the exposure to the change in the purchasing power of the Argentine currency.

## 10. Segment reporting

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

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

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

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

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

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

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

The total liabilities allocated to segments exclude borrowings from credit institutions, as Prosegur jointly handles the financing and the liabilities associated with non-current assets held for sale, and they include lease liabilities.

Details of revenue by geographical areas for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Europe		ROW		LatAm		Total	
	at 30 June 2022	at 30 June 2021						
Thousands of Euros								
<b>Total Sales</b>	<b>747,657</b>	<b>692,191</b>	<b>229,082</b>	<b>170,131</b>	<b>1,025,184</b>	<b>775,105</b>	<b>2,001,923</b>	<b>1,637,427</b>
<i>% of total</i>	37%	42%	11%	10%	52%	48%	100%	100%

Details of sales and EBITA by business are as follows:

Thousands of Euros	Cash		Security		Alarms		Cybersecurity		AVOS		PGA and unallocated		Total	
	at 30 June 2022	at 30 June 2021	at 30 June 2022	at 30 June 2021	at 30 June 2022	at 30 June 2021	at 30 June 2022	at 30 June 2021	at 30 June 2022	at 30 June 2021	at 30 June 2022	at 30 June 2021	at 30 June 2022	at 30 June 2021
	Total sales	883,215	692,424	980,500	825,890	89,673	96,802	7,267	7,289	41,268	15,022	—	—	2,001,923
<b>EBITA</b>	<b>120,202</b>	<b>70,260</b>	<b>20,903</b>	<b>26,868</b>	<b>6,705</b>	<b>16,891</b>	<b>(1,753)</b>	<b>(1,002)</b>	<b>4,045</b>	<b>930</b>	<b>(11,007)</b>	<b>(21,261)</b>	<b>139,095</b>	<b>92,686</b>

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

Unallocated costs consist of the support costs of the Security, Alarms, Cybersecurity and AVOS (added-value outsourcing services) business, as well as any exceptional costs incurred during the year which are not considered as the outcome of any of the four business lines themselves.

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

	Thousands of Euros	
	at 30 June 2022	at 30 June 2021
EBITA allocated to segments	150,102	113,947
Non-allocated EBITA	(11,007)	(21,261)
EBITA for the period	139,095	92,686
Amortisation and depreciation in the year	(17,170)	(14,372)
Net financial expenses	(22,938)	(3,813)
Profit/(loss) before tax	98,987	74,501
Income tax	(50,309)	(45,835)
Post-tax profit of ongoing operations	48,678	28,666
Non-controlling interests	8,767	2,333
<b>Profit/(loss) of the period attributable to the owners of the parent company</b>	<b>39,911</b>	<b>26,333</b>

Details of assets allocated to segments and a reconciliation with total assets at 30 June 2022 and 31 December 2021 are as follows:

Thousands of Euros	Cash		Security		Alarms		Cybersecurity		AVOS		Not allocated to segments		Total	
	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021
<b>Assets allocated to segments</b>	1,490,566	1,396,907	879,414	749,597	441,732	436,950	41,837	39,311	68,068	71,560	269,349	247,420	3,190,966	2,941,745
<b>Other non-allocated assets</b>	—	—	—	—	—	—	—	—	—	—	1,551,184	874,378	1,551,184	874,378
Other non-current financial investments	—	—	—	—	—	—	—	—	—	—	289,917	233,128	289,917	233,128
Property investments	—	—	—	—	—	—	—	—	—	—	65,559	55,345	65,559	55,345
Other current financial assets	—	—	—	—	—	—	—	—	—	—	8,907	955	8,907	955
Cash and cash equivalents	—	—	—	—	—	—	—	—	—	—	1,094,793	584,950	1,094,793	584,950
Non-current assets held for sale	—	—	—	—	—	—	—	—	—	—	92,008	—	92,008	—
	<b>1,490,566</b>	<b>1,396,907</b>	<b>879,414</b>	<b>749,597</b>	<b>441,732</b>	<b>436,950</b>	<b>41,837</b>	<b>39,311</b>	<b>68,068</b>	<b>71,560</b>	<b>1,820,533</b>	<b>1,121,798</b>	<b>4,742,150</b>	<b>3,816,123</b>

Details of liabilities allocated to segments and a reconciliation with total liabilities at 30 June 2022 and 31 December 2021 are as follows:

Thousands of Euros	Cash		Security		Alarms		Cybersecurity		AVOS		Not allocated to segments		Total	
	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021	at 30 June 2022	at 31 December 2021
<b>Liabilities allocated to segments</b>	752,689	848,163	464,684	385,322	106,340	115,598	15,563	12,842	27,942	32,674	135,697	138,339	1,502,915	1,532,938
<b>Other non-allocated liabilities</b>	—	—	—	—	—	—	—	—	—	—	2,299,976	1,572,459	2,299,976	1,572,459
Bank borrowings	—	—	—	—	—	—	—	—	—	—	2,248,946	1,572,459	2,248,946	1,572,459
Liabilities associated with non-current assets held for sale	—	—	—	—	—	—	—	—	—	—	51,030	—	51,030	—
	<b>752,689</b>	<b>848,163</b>	<b>464,684</b>	<b>385,322</b>	<b>106,340</b>	<b>115,598</b>	<b>15,563</b>	<b>12,842</b>	<b>27,942</b>	<b>32,674</b>	<b>2,435,673</b>	<b>1,710,798</b>	<b>3,802,891</b>	<b>3,105,397</b>

## 11. Property, plant and equipment, goodwill and other intangible assets

### 11.1. Property, plant and equipment

Details of changes in property, plant and equipment for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Thousands of Euros Period ended 30 June	
	<b>2022</b>	<b>2021</b>
<b>Cost</b>		
<b>Opening balances</b>	<b>1,413,531</b>	<b>1,288,667</b>
Translation differences	140,099	35,691
Transfer to non-current assets held for sale (Note 16)	(51,348)	—
Business combinations	4,330	4,008
Additions	44,941	41,548
Write offs due to disposals or by other means	(19,905)	(13,282)
<b>Closing balances</b>	<b>1,531,648</b>	<b>1,356,632</b>
<b>Accumulated depreciation</b>		
<b>Opening balances</b>	<b>(797,255)</b>	<b>(691,771)</b>
Translation differences	(77,875)	(16,201)
Transfer to non-current assets held for sale (Note 16)	32,993	—
Provision for impairment	(246)	—
Write offs due to disposals or by other means	15,226	9,462
Provisions charged against the income statement	(54,564)	(47,375)
<b>Closing balances</b>	<b>(881,721)</b>	<b>(745,885)</b>
<b>Net assets</b>		
<b>Opening balances</b>	<b>616,276</b>	<b>596,896</b>
<b>Closing balances</b>	<b>649,927</b>	<b>610,747</b>

During the first half of 2022, investments in property, plant and equipment made by Prosegur came to EUR 44,941 thousand (at 30 June 2021: EUR 41,548 thousand). These investments correspond mainly to cash automation equipment fitted in clients premises and purchasing and conditioning of bases and armoured vehicles in Spain, Germany, Argentina, Australia, Brazil, Colombia and Ecuador.

No assets are subject to restrictions on title or pledged as security for particular transactions at 30 June 2022.

## 11.2. Property investments

Details of changes in property investments for the first six-month period ended 30 June 2022 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
<b>Cost</b>		
<b>Opening balances</b>	68,399	54,640
Translation differences	12,582	5,565
<b>Closing balances</b>	<b>80,981</b>	<b>60,205</b>
<b>Accumulated depreciation</b>		
<b>Opening balances</b>	(13,054)	(10,289)
Provisions charged against the income statement	(758)	(566)
Translation differences	(1,610)	(583)
<b>Closing balances</b>	<b>(15,422)</b>	<b>(11,438)</b>
<b>Net assets</b>		
<b>Opening balances</b>	<b>55,345</b>	<b>44,351</b>
<b>Closing balances</b>	<b>65,559</b>	<b>48,767</b>

## 11.3. Goodwill

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

	Thousands of Euros
	<b>2022</b>
<b>Net carrying amount at 31 December 2021</b>	<b>628,908</b>
Additions to the scope (Note 22)	10,007
Additions	2,881
Write offs	(2,058)
Translation differences	45,139
<b>Net carrying amount at 30 June 2022</b>	<b>684,877</b>

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

	Thousands of Euros
	<b>2022</b>
Cash business combinations in LatAm	4,520
Cash business combinations in Europe	5,487
	<b>10,007</b>

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

The additions corresponded to the adjustments made in the value of the goodwill associated with a Cash business combination in Latin America due to reassessing the corresponding deferred future contingent consideration and the fair values of identifiable net assets:

	Thousands of Euros
	<b>2022</b>
Cash business combinations in LatAm	2,881
	<b>2,881</b>

The write offs corresponded to the adjustments made in the value of the goodwill associated with an AVOS business combination in LatAm due to reassessing the fair values of identifiable net assets:

	Thousands of Euros
	<b>2022</b>
AVOS business combinations in LatAm	(2,058)
	<b>(2,058)</b>

Prosegur tests goodwill for impairment at the end of each reporting period, or earlier if there are indications of impairment, in accordance with the accounting policy described in Note 35.10 of the Consolidated Annual Accounts at December 2021. As of 30 June 2022, 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 2021 were as follows:

	Thousands of Euros
	<b>2021</b>
<b>Net carrying amount at 31 December 2020</b>	<b>590,672</b>
Additions to the scope (Note 22)	40,262
Additions	91
Translation differences	12,056
<b>Net carrying amount at 30 June 2021</b>	<b>643,081</b>

For the six-month period ended 30 June 2021, goodwill from the following business combinations was incorporated:

	Thousands of Euros
	<b>2021</b>
Cash business combinations in LatAm	40,262
	<b>40,262</b>

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

	Thousands of Euros
	<b>2021</b>
Security business combinations in Europe	91
	<b>91</b>

#### 11.4. Rights of use

Details of changes in right of use assets for the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
<b>Cost</b>		
<b>Opening balance</b>	<b>187,741</b>	<b>139,298</b>
Additions	19,995	19,760
Transfer to non-current assets held for sale (Note 16)	(18,828)	—
Write offs and cancellations	(7,548)	—
Translation differences	9,894	1,474
<b>Closing balances</b>	<b>191,254</b>	<b>160,532</b>
<b>Accumulated amortisation</b>		
<b>Opening balances</b>	<b>(94,511)</b>	<b>(56,395)</b>
Transfer to non-current assets held for sale (Note 16)	15,091	—
Provisions charged against the income statement	(19,639)	(20,366)
Translation differences	(5,534)	6
Disposals and transfers	433	—
<b>Closing balances</b>	<b>(104,160)</b>	<b>(76,755)</b>
<b>Net assets</b>		
<b>Opening balances</b>	<b>93,230</b>	<b>82,903</b>
<b>Closing balances</b>	<b>87,094</b>	<b>83,777</b>

Details of changes in lease liabilities for the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	Period ended 30 June	
	<b>2022</b>	<b>2021</b>
<b>Cost</b>		
<b>Opening balance</b>	<b>(102,065)</b>	<b>(92,516)</b>
Additions	(19,995)	(20,168)
Write offs and cancellations	24,905	24,314
Financial expenses (Note 9)	(2,438)	(2,292)
Translation differences	(3,712)	(1,939)
Liabilities transferred directly to ANCMV (Note 16)	4,144	—
<b>Closing balances</b>	<b>(99,161)</b>	<b>(92,601)</b>

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:

	<b>Average rate</b>		
	<b>First 5 years</b>	<b>5-10 years</b>	<b>10-15 years</b>
Germany	0.90 %	1.20 %	1.61 %
Brazil	7.78 %	9.43 %	10.21 %
Peru	3.44 %	4.35 %	5.32 %
Argentina	38.41 %	38.92 %	37.98 %
Colombia	5.82 %	6.72 %	8.05 %
Chile	3.89 %	4.74 %	5.40 %
Spain	0.80 %	1.08 %	1.56 %

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

The Group decided to not recognise in the balance sheet the lease liabilities and the right of use asset corresponding to short-term lease contracts (leases for one year or less) and lease contracts for low value assets (USD 5 thousand or less). Those exceptions have been recorded entirely under the heading on operating leases (Note 6).

## 11.5. Other intangible assets

Details of changes in intangible assets for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Thousands of Euros Period ended 30 June	
	<b>2022</b>	<b>2021</b>
<b><u>Cost</u></b>		
<b>Opening balances</b>	<b>776,730</b>	<b>658,897</b>
Additions	24,866	14,474
Transfer to non-current assets held for sale (Note 16)	(41,986)	—
Business combinations	5,711	3,495
Write offs due to disposals or by other means	(3,751)	(572)
Translation differences	71,137	33,749
<b>Closing balances</b>	<b>832,707</b>	<b>710,043</b>
<b><u>Accumulated amortisation</u></b>		
<b>Opening balances</b>	<b>(425,043)</b>	<b>(363,286)</b>
Transfer to non-current assets held for sale (Note 16)	27,804	—
Write offs due to disposals or by other means	1,259	205
Provisions charged against the income statement	(29,505)	(24,802)
Translation differences	(32,967)	(12,085)
<b>Closing balances</b>	<b>(458,452)</b>	<b>(399,968)</b>
<b><u>Net assets</u></b>		
<b>Opening balances</b>	<b>351,687</b>	<b>295,611</b>
<b>Closing balances</b>	<b>374,255</b>	<b>310,075</b>

Intangible assets allocated to the valuation of the following business combinations were included in the additions for the first half of 2022:

Thousands of Euros	<b>Computer software</b>	<b>Portfolios</b>	<b>Brands</b>	<b>Total</b>
Cash business combinations in Europe	—	1,610	—	1,610
Cash business combinations in LatAm	774	2,466	861	4,101
	<b>774</b>	<b>4,076</b>	<b>861</b>	<b>5,711</b>

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

Prosegur tests intangible assets for impairment at the end of each reporting period, or earlier if there are indications of impairment. As of 30 June 2022, there were no additional elements indicating impairment with respect to recognised other intangible assets.

## 12. Non-current financial assets

Details of non-current financial assets at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	<b>30 June 2022</b>	<b>31 December 2021</b>
Equity instrument	258,994	204,511
Deposits and guarantees	15,408	13,086
Other non-current financial assets	15,515	15,531
<b>Total non-current financial assets</b>	<b>289,917</b>	<b>233,128</b>

As described in Note 18 to the Consolidated Annual Accounts for the year ended 31 December 2021, the equity instruments item includes non-controlling financial interests in certain companies in which the Prosegur Group has no management influence. These interests are recorded at fair value. At 30 June 2022, there were no indicators of impairment with respect to the financial interests.

The equity instrument heading mainly includes 49,545,262 Telefónica S.A. shares. Telefónica, S.A. shares have been classified in the category of equity instruments at fair value with changes in other comprehensive income, because they are not held for mere trading purposes. As a consequence, only the associated dividends are recognised in profit/(loss), and in their sale, the amounts recognised to date in equity will not be reclassified to profit/(loss). They have also been classified in Level 1 of the levels of the fair value hierarchy since the valuation is performed by directly using the actual quotation price of the equity instrument, which can be observed and taken from independent sources, and referred to an active market.

At 30 June 2022, the share in Telefónica S.A. was valued at EUR 240,790 thousand and represents a 0.86% interest in its share capital.

Deposits and guarantees were recorded at amortised cost. Items that do not accrue interest explicitly are recorded at their nominal amount, provided that the effect of not financially updating the cash flows is not significant.

The heading on other non-current financial assets mainly includes a loan granted to one of the Prosegur Group subsidiaries in India, SIS Cash Services Private Ltd, which is consolidated using the equity method, not being eliminated therefore in the consolidation process, and which is recorded at amortised cost for the amount of EUR 2,331 thousand and the granting of loans to two external investors related to the Group's subsidiaries in Indonesia and the Philippines, for EUR 6,247 thousand.

During the first half of 2022, no significant purchases, sales, issues or settlements of non-current financial assets were made.

### 13. Investments accounted for using the equity method

#### Joint arrangements

Prosegur's main joint arrangements at 30 June 2022 correspond to 50% of Prosegur's alarm business in Spain, to companies that operate in India dedicated to the Cash business and to companies that operate in Brazil whose main activity is the connection of physical and digital money environments through a fintech company which uses ATMRs and vaults linked to a digital account to anticipate cash deposited in real time. These Joint Arrangements are structured as separate vehicles and Prosegur has a share of their net assets. Consequently, Prosegur has classified these shareholdings as Joint Ventures.

Details of changes in the investments in joint ventures accounted for under the equity method for the six-month periods ended 30 June 2022 and 2021 were as follows:

	Thousands of Euros	
	<u>30 June 2022</u>	<u>30 June 2021</u>
<b>Opening balance</b>	<b>265,711</b>	<b>268,047</b>
Additions	8,211	1,424
Participation in profits/(losses)	(3,831)	(142)
Translation differences	(981)	248
<b>Closing balance</b>	<b><u>269,110</u></b>	<b><u>269,577</u></b>

Details of the main figures of investments accounted for under the equity method at the end of 2021 are included in Appendix III of the Consolidated Annual Accounts for the year ended 31 December 2021.

Additions for the six-month period ended 30 June 2022 mainly correspond to the purchase of 51% of two Brazilian companies whose main activity is the connection of physical and digital money environments through a fintech company which uses ATMRs 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).

Additions for the six-month period ended 30 June 2021 correspond mainly to capitalisation in the company Dinero Gelt S.L. in April 2021 and the creation of a joint venture for carrying out cash in transit through UAVs (unmanned aerial vehicles) in Brazil from base to base in June 2021.

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

## 14. Cash and cash equivalents

Details of the heading Cash and cash equivalents at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	<u>30 June 2022</u>	<u>31 December 2021</u>
Cash in hand and at banks	956,068	475,902
Current bank deposits	138,725	109,048
	<u><b>1,094,793</b></u>	<u><b>584,950</b></u>

The effective interest rate on current bank deposits was 12.51% (at 31 December 2021: 7.03%) and the average term of the deposits held during the first half of 2022 was 21 days (at 31 December 2021: 24 days).

## 15. Inventories

Details of inventories at 30 June 2022 and 31 December 2021 are as follows:

	Thousands of Euros	
	<u>30 June 2022</u>	<u>31 December 2021</u>
Works and work in progress	16,405	11,010
Trade inventories, fuel and others	70,909	54,690
Operative material	2,652	2,267
Uniforms	7,138	6,231
Impairment of inventories	(9,938)	(8,847)
	<u><b>87,166</b></u>	<u><b>65,351</b></u>

The increase in inventories is due to the extraordinary purchases carried out in order to ensure the supply chain is not interrupted.

No inventories have been pledged as securities for liabilities.

The changes in impairment losses for the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

	Thousands of Euros	
	<u>30 June 2022</u>	<u>30 June 2021</u>
<b>Balance at 1 January</b>	(8,847)	(8,601)
Additions	(247)	(245)
Applications and others	249	19
Translation differences	(1,093)	(503)
<b>Balance at 30 June</b>	<u><b>(9,938)</b></u>	<u><b>(9,330)</b></u>

## 16. Non-current assets held for sale

Prosegur Group operates the Cash business in Australia developing the transport, cash management and new products line of activity. At 30 June 2022, assets and liabilities associated with the companies PTY Limited and Precinct Hub Pty Limited were classified as held for sale.

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	<b>Note</b>	<b>30 June 2022</b>
<b>Non-current assets held for sale</b>		
Property, plant and equipment	11.1	18,355
Other intangible assets	11.5	14,182
Rights of use	11.4	3,737
Clients and other receivables		11,551
Deferred tax assets		3,240
Inventories		950
Cash and cash equivalents		39,993
		<b>92,008</b>
<hr/>		
Thousands of Euros		<b>30 June 2022</b>
<b>Liabilities directly associated with non-current assets held for sale</b>		
Long-term lease liabilities	11.4	2,022
Deferred tax liabilities		4,388
Non-current provisions	18	7,583
Suppliers and other payables		34,915
Short-term lease liabilities	11.4	2,122
		<b>51,030</b>
<hr/>		

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

The Prosegur 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 has not been 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 provision associated with Comcare is included under the non-current provisions heading. In the first half of 2022, payments were made for commitments associated with the occupational accident insurance plan in Australia amounting to EUR 331 thousand, resulting in a total provision of EUR 1,809 thousand (31 December 2021: EUR 2,020 thousand), of which there is no amount due in the short term.

Additionally, Prosegur in Australia has signed a bailment for the supply of cash to automated teller machines belonging to Prosegur. The cash is, according to the contract, owned by the bailor. Prosegur has access to this money for the sole purpose of loading cash into the ATM 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 consolidated financial statements for this item. The amount of outstanding cash at 30 June 2022 was AUD 189,542 thousand (equivalent to EUR 125,524 thousand); at 31 December 2021 it was AUD 229,846 thousand (equivalent to EUR 147,190 thousand).

## 17. Equity

### 17.1. Share capital

Share capital consists of:

	Thousands	Thousands of Euros			
	Number of shares	Share capital	Share premium	Own shares	Total
01 January 2021	548,604	32,916	25,472	(14,550)	43,838
31 December 2021	548,604	32,916	25,472	(29,439)	28,949
30 June 2022	548,604	32,916	25,472	(42,159)	16,229

At 30 June 2022, the share capital of Prosegur Compañía de Seguridad, S.A. totals EUR 32,916 thousand and is represented by 548,604,222 shares with a par value of EUR 0.06 each, fully subscribed and paid. These shares are listed on the Madrid and Barcelona Stock Exchanges and traded via the Spanish Stock Exchange Interconnection System (SIBE).

### 17.2. Share premium

The share premium amounts to EUR 25,472 thousand, is freely distributable and did not change in 2021 or in the six-month period ended 30 June 2022.

### 17.3. Own shares

Details of changes in own shares for the six-month period ended at 30 June 2022 are as follows:

	Number of shares	Thousands of Euros
<b>Balance at 31 December 2021</b>	<b>10,938,598</b>	<b>29,439</b>
Purchase of own shares	7,968,606	13,231
Other awards	(190,752)	(511)
<b>Balance at 30 June 2022</b>	<b>18,716,452</b>	<b>42,159</b>

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

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

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

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

On 21 June 2022, Prosegur acquired a package of 1,737,600 of its own shares from an institutional investor, representing 0.32% of the share capital, at a price of EUR 1.644 per share, with a discount of EUR 0.01 per share (Note 4).

On 23 June 2022, Prosegur acquired a package of 5,952,583 of its own shares from an institutional investor, representing 1.09% of the share capital, at a price of EUR 1.642 per share, with a discount of EUR 0.01 per share (Note 4).

#### **17.4. Cumulative translation difference**

The change in the balance of the cumulative translation differences at 30 June 2022 as compared to 31 December 2021 for EUR 134,033 thousand results mainly from the appreciation of the Brazilian Real and the positive impact of hyperinflation in Argentina.

#### **17.5. Dividends**

On 21 December 2021, the Board of Directors approved the distribution of a regular dividend of EUR 0.1240 per share on account of the 2021 profits, or a total maximum dividend of EUR 68,027 thousand (considering that the share capital is currently represented by 548,604,222 shares). This resolution of the Board of Directors was approved by the Shareholders General Meeting held on 2 June 2022. The amount that is not distributed as a dividend on the total maximum agreed, by reason of the treasury stock existing on the date of each payment, will be allocated to voluntary reserves and is reflected in the item "Other changes" of the consolidated statement of changes in equity.

On 25 January 2022 the first payment of the interim regular dividend was made against 2021 profits, for a maximum amount of EUR 17,007 thousand (at a rate of EUR 0.0310 gross per outstanding share and with economic rights on that date).

On 28 April 2022 the second payment of the interim regular dividend was made against 2021 profits, for a maximum amount of EUR 17,007 thousand (at a rate of EUR 0.0310 gross per outstanding share and with economic rights on that date).

On 21 July 2022 the third payment of the interim regular dividend was made against 2021 profits, for a maximum amount of EUR 17,007 thousand (at a rate of EUR 0.0310 gross per outstanding share and with economic rights on that date).

The remaining payment, until completing the approved dividend of EUR 0.124 per share, considering that the share capital on the date of approval of said dividend was divided into 548,604,222 shares, will be made in October 2022.

## 17.6. 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.

	Thousands of Euros	
	<u>30 June 2022</u>	<u>30 June 2021</u>
Year profit attributable to the owners of the parent company	39,911	26,333
Weighted average ordinary shares in circulation	537,224,606	540,203,909
<b>Basic earnings per share</b>	<u><b>0.07</b></u>	<u><b>0.05</b></u>

- **Diluted**

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

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

## 17.7. Non-controlling interests and other changes

Prosegur Cash, S.A. is a subsidiary of the Spanish company Prosegur Compañía de Seguridad, S.A., which currently holds 79.42% of the shares. The remaining 20.58% of the shares are in the hands of non-controlling interests as a result of its first listing on the stock market on 17 March 2017. Prosegur Cash shares started trading at EUR 2 per share on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and they are traded through the Spanish Stock Exchange Interconnection System (Continuous Market) (SIBE).

During the first six months of 2022, Prosegur Compañía de Seguridad, S.A. acquired shares in Prosegur Cash, S.A. for EUR 1,400 thousand, which represents 0.14% of the share capital of Prosegur Cash, S.A. The negative impact recorded by the difference between the profit/(loss) value and the amount paid by the 0.14% of Prosegur Cash is recorded in the statement of changes in equity under the “Other Changes” heading for EUR 1,278 thousand.

Additionally, “Other changes” of the statement of changes in net equity heading mainly includes the purchase of own shares and other awards of own shares of Prosegur Cash, S.A. for EUR 9,418 thousand.

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

The programme has been put into effect under the provisions of Regulation (EU) no. 506/2014 on market abuse and the Commission Delegated Regulation 2016/1052, making use of the authorisation granted by the Shareholders General Meeting held on 2 June 2021 for the purchase of own shares, for the purpose of redeeming them pursuant to a share capital reduction resolution of the Company which was submitted for the approval of the Shareholders General Meeting of Prosegur Cash on 1 June 2022.

The programme has the following features:

- Maximum amount allocated to the Programme: EUR 15,000 thousand.
- Maximum number of shares that can be acquired: up to 22,844,200 shares representing approximately 1.5% of the Company’s share capital.
- Maximum price per share: shares will be purchased in compliance with the price and volume limits established in the Regulations. In particular, the Company cannot buy shares at a price higher than the highest of the following: (i) the price of the last independent trade; or (ii) that corresponding to the highest current independent bid on the trading venues where the purchase is carried out.
- Maximum volume per trading session: in so far as volume is concerned, the Company cannot purchase more than 25% of the average daily volume of the shares in any one day on the trading venues on which the purchase is carried out.
- Duration: the Programme has a maximum duration of one year. Notwithstanding the above, the Company reserves the right to conclude the Programme if, prior to the end of said maximum term of one year, it has acquired the maximum number of shares authorised by the Board of Directors, if it has reached the maximum monetary amount of the Programme or if any other circumstances arise that call for it.

At 30 June 2022, the treasury stock held by Prosegur Cash, S.A. is composed of 32,533,065 shares.

At 30 June 2021, the treasury stock held by Prosegur Cash, S.A. was composed of 37,883,843 shares

## 18. Provisions

Details of the balance and changes under this heading for the six-month period ended 30 June 2022 are as follows:

Thousands of Euros	Occupational risks	Legal risks	Employee benefits	Other risks	Total
<b>Balance at 01 January 2022</b>	<b>40,164</b>	<b>33,239</b>	<b>17,553</b>	<b>111,392</b>	<b>202,348</b>
Provisions charged against the income statement	11,484	4,613	—	22,919	<b>39,016</b>
Reversals credited to the income statement	(4,639)	(9,404)	—	(6,893)	<b>(20,936)</b>
Applications	(6,371)	(624)	—	(1,261)	<b>(8,256)</b>
Financial effect of discounting	2,733	851	—	(493)	<b>3,091</b>
Transfer to non-current liabilities held for sale (Note 16)	—	—	—	(7,583)	<b>(7,583)</b>
Additions to the scope	331	169	—	1,120	<b>1,620</b>
Translation differences	4,571	1,497	916	9,798	<b>16,782</b>
<b>Balance at 30 June 2022</b>	<b>48,273</b>	<b>30,341</b>	<b>18,469</b>	<b>128,999</b>	<b>226,082</b>
Non-Current 2022	48,273	30,341	18,469	128,165	225,248
Current 2022	—	—	—	834	834

### a) Occupational risks

The provisions for occupational risks, which amount to EUR 48,273 thousand (31 December 2021: EUR 40,164 thousand), are calculated individually based on the estimated probability of success or failure. In addition, an internal review is carried out of the probabilities of reaching agreements in each of the cases, depending on the past experience of Prosegur, in order to arrive at the final provision to be recorded.

The provision for occupational risks is composed mainly of labour legal cases in Brazil. The characteristics of labour legislation in that country result in such processes becoming drawn out, and has led to a provision in 2022 of EUR 23,663 thousand (31 December 2021: EUR 18,635 thousand).

A provision is also included for EUR 1,704 thousand (31 December 2021: EUR 1,634 thousand) related to the business combination carried out in 2005 with Transpev.

The settlement of these provisions is highly probable.

### b) Legal risks

The provisions for legal risks, which amount to EUR 30,341 thousand (31 December 2021: EUR 33,239 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.

The provision associated with the sanctions proceedings brought by Spain's National Commission on Markets and Competition for alleged anti-competitive practices included within the provision for legal risks at 31 December 2021 was reversed for an amount of EUR 8,695 thousand during the first six months of 2022 after the National Court upheld the appeal filed by Prosegur against the ruling given on 10 November 2016 by the Competition Chamber of the Council of the National Commission on Markets and Competition, declaring the aforementioned ruling and the fine imposed therein as null and void.

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

In 2021, the FNE requested sanctions, including a fine of approximately EUR 22,000 thousand from a Prosegur Group subsidiary in Chile (maximum sanction). On the date of these financial statements, the legal proceeding continues without the FNE having notified all parties to the proceeding, and therefore the period for the parties to file responses has not yet commenced. As of 30 June 2022, the recorded amount associated with this risk in provisions for legal risks amounts to EUR 11,046 thousand.

### **c) Employee benefits**

As indicated in Note 5.2 of the Consolidated Annual Accounts for the year ended 31 December 2021, Prosegur 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 every year. The last update occurred at the end of 2021 applicable to the current period.

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

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. In Brazil they consist of post-employment healthcare compliant with local legislation (Act 9656).

### **d) Other risks**

The provisions for other risks, which amount to EUR 128,999 thousand (31 December 2021: EUR 111,392 thousand), includes 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.

We list the most significant ones below:

#### **Tax risks**

These mainly refer to tax risks in Brazil, Argentina and Spain amounting to EUR 100,366 thousand (31 December 2021: EUR 89,130 thousand).

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

Tax risks are classified as material on the basis of opinions in external studies according to the analysis of case law in the matter of reference. In addition, internal analyses are conducted based on similar cases that have occurred in the past at Prosegur or at other companies.

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

Provisions charged against and reversals credited to the income statement are included under the heading Other expenses in Note 6.

### ***Accruals with personnel***

These provisions include the accrued incentive in the 18-20 Plan, the 21-23 Plan and the Long-Term Retention Plan for the Executive President, Managing Director and Senior Management of the Prosegur Group. During the year, provisions to profit/(loss) amounted to EUR 4,274 thousand (30 June 2021: EUR 5,638 thousand), resulting in a total provision of EUR 11,095 thousand. Expenses are included under the heading on wages and salaries in Note 6.

As detailed in Note 35.20 of the Consolidated Annual Accounts for the year ended 31 December 2021, the 2018-2020 Plan is generally linked to the creation of value during the 2018-2020 period and envisages the payment of cash incentives, calculated for certain beneficiaries based on the share price. In the vast majority of cases, the Plan measures target achievement from 1 January 2018 until 31 December 2020 and length of service from 1 January 2018 until 31 May 2023.

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

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 Compañía de Seguridad 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 is linked to ensuring adequate talent retention and promoting the digital transformation of the Prosegur Group for 2021-2023, was also approved in 2021. The plan envisages the payment of share incentives. The period of measurement covers for most cases from 1 January 2021 to 31 December 2023. The first payment in shares will be in October 2022, the second in October 2023 and the final one in October 2024. The Prosegur Group recognises a straight-line expense in the income statement during the 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 fair value of the shares at the moment of the granting was EUR 2.029 per share.

At 30 June 2022, the positive impact on retained earnings and other reserves of the equity was EUR 4,968 thousand.

During the first half of 2022, a total amount of EUR 782 thousand associated with the first payment of the 18-20 Plan was settled.

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

## 19. Financial liabilities

Details of the balances of this heading under the consolidated statement of financial position at 30 June 2022 and 31 December 2021 are as follows:

Thousands of Euros	30 June 2022		31 December 2021	
	Non-current	Current	Non-current	Current
Debentures and other negotiable securities	1,091,015	709,486	1,295,038	13,723
Bank borrowings	281,297	157,299	80,156	179,776
Credit accounts	—	9,850	—	3,767
Other payables	68,894	60,721	58,199	49,413
	<b>1,441,206</b>	<b>937,355</b>	<b>1,433,393</b>	<b>246,679</b>

The most significant items that make up the balance at 31 December 2021 are detailed in Note 24 of the Consolidated Annual Accounts for the year ended on that date.

During the six-month period ended 30 June 2022, there has been no default or non-compliance with any agreement regarding the loans and credit facilities granted to Prosegur.

### Syndicated credit facility (Spain)

#### Syndicated financing facility of EUR 200,000 thousand

On 10 February 2017 Prosegur arranged a new five-year syndicated credit financing facility of EUR 200,000 thousand to provide the company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another five years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026. At 30 June 2022, no amount of this credit facility has been drawn down.

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

#### Syndicated financing facility of EUR 300,000 thousand

On 10 February 2017, Prosegur's subsidiary, Prosegur Cash, S.A., arranged a new five-year syndicated credit financing facility of EUR 300,000 thousand to provide the Company with long-term liquidity. On 7 February 2019 this syndicated credit facility was renewed, and its maturity extended by another five years. In February 2020 the maturity was extended until February 2025. Additionally, in February 2021, the maturity was extended again until February 2026. At 30 June 2022 the balance drawn down from this credit amounted to EUR 55,000 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.

### **Debentures and other negotiable securities**

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

On 8 February 2018 uncovered bonds with a nominal value of EUR 700,000 thousand, maturing on 8 February 2023, were issued, as a result of which it was reclassified as short-term. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.00% payable at the end of each year.

On 4 December 2017 Prosegur, through its subsidiary Prosegur Cash, S.A. made an issue of uncovered bonds with a nominal value of EUR 600,000 thousands, 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 part of the debt of Prosegur Cash and the diversification of funding sources. The bonds are traded on the secondary market, on the Irish Stock Exchange. They accrue an annual coupon of 1.38% payable at the end of each year.

### **Syndicated loan (Australia)**

On 28 April 2017, Prosegur, via its subsidiary Prosegur Australia Investments Pty Limited, which is not included in the operation described in Note 16, arranged a syndicated credit financing facility in the amount of AUD 70,000 thousand for a three-year term. The first maturity was in the first half of 2021 for AUD 10,000 thousand. The second maturity was in the first half of 2022 for AUD 10,000 thousand. The third maturity will be in 2023 for AUD 50,000 thousand.

The drawn down capital corresponding to the loan was AUD 50,000 thousand (equivalent at the end of the first half of 2022 to: EUR 33,115 thousand).

### **Loan in Peru**

On 2 June 2021, Prosegur, 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 2022, the drawn down capital was 240,000 thousand Peruvian sol (equivalent at the end of the first half of 2022 to: EUR 60,328 thousand). At 31 December 2021, the drawn down capital was PEN 270,000 thousand (at 31 December 2021 equivalent to: EUR 59,627 thousand).

### **Loan with European Investment Bank (EIB)**

On 27 October 2021, Prosegur Compañía de Seguridad contracted a financing operation with the European Investment Bank (EIB) with the aim of promoting investment in innovation, digital transformation and sustainability. The financing amounts to EUR 57,500 thousand with a term of 6 years. At 30 June 2022, the balance drawn down amounted to EUR 50,000 thousand.

### **Loan in Spain**

On 30 May 2022, Prosegur arranged a credit financing facility for EUR 100,000 thousand for a three-year term. At 30 June 2022 the balance drawn down amounted to EUR 100,000 thousand.

### **Other payables**

The most significant items that make up the balance at 31 December 2021 are detailed in Note 24 of the Consolidated Annual Accounts for the year ended on that date.

Other payables mainly relate to pending payments of business combinations.

## 20. Taxation

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.

	Thousands of Euros Period ended 30 June	
	2022	2021
Current tax	67,419	61,269
Deferred tax	(17,110)	(15,434)
<b>Total</b>	<b>50,309</b>	<b>45,835</b>

	Thousands of Euros Period ended 30 June	
	2022	2021
Expense from income tax	50,309	45,835
Profit/(loss) before tax	98,987	74,501
<b>Effective tax rate</b>	<b>50.82 %</b>	<b>61.52 %</b>

The effective tax rate was 50.82% in the first half of 2022, compared with 61.52% in the same period the previous year, a decrease of 10.70 percentage points.

In relation to the proceedings initiated for corporate income tax for the years 2005, 2006 and 2007 for which EUR 8,268 thousand were claimed of the Company, on 6 May 2021, the Supreme Court, through its ruling number 630/2021 upholds contentious-administrative appeal number 236/2016 against the Resolution of the Central Administrative Economic Court of 2 March 2016 and cancels the Judgement of the National Court of 14 November 2019, in appeal number 238/2016. The contentious-administrative appeal corresponding to the acts initiated for corporate income tax for the years 2008, 2009 and 2010, for which a tax debt of EUR 16,088 thousand is claimed from the Company, is pending a decision from the National Court; however, the Company considers that the upcoming decision will be favourable, since it comes from the same facts judged in the aforementioned appeal.

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

On 4 April 2019 the Brazilian Tax Authority notified Prosegur Brasil S.A. Transportadora de Valores e Segurança of a tax settlement decision regarding Corporate Income Tax, Social Security and withholdings at source in relation to the corporate cost incurred from 2014 to 2016. The amount under that notice was BRL 214,820 thousand (tax liability BRL 102,938 thousand, interest BRL 30,833 thousand and penalties BRL 81,049 thousand), equivalent at 30 June 2022 to EUR 39,613 thousand (equivalent at 31 December 2021: EUR 34,044 thousand). The resolution was challenged by the Company in first instance in the administrative stage on 29 April 2019, and was resolved on 30 July 2019 with a reduction of 44,877 thousand reals, equivalent at 30 June 2022 to EUR 8,275 thousand (equivalent at 31 December 2021: EUR 7,112 thousand). The Company has proceeded to appeal this in the second administrative instance, where a favourable resolution to this lawsuit is anticipated. Therefore, no provision has been registered.

On 10 July 2020, the general inspection procedure was opened for the companies Prosegur Servicios de Efectivo de España, S.A., Juncadella Prosegur Internacional, S.A. and Prosegur Global CIT, S.A., Prosegur Compañía de Seguridad, S.A. and Prosegur Servicios Integrales de Seguridad, S.A. for the years 2015 to 2018 for corporate income tax and for the years 2016 to 2018 also for the remaining tax items. As of today's date, the Company has signed and paid agreed assessments for VAT and personal income tax items for non-significant amounts. On June 13, 2022, the Company received an agreement to rectify material errors referring to the agreed corporate income tax assessment previously signed. The amount resulting from said agreement is EUR 459 thousand (debt and interest included), which is pending payment.

Additionally, on 11 May 2022 the Company signed disputed corporate income tax assessments for EUR 15,587 thousand. As of today's date, the company has put forward arguments regarding that assessment, with a decision pending from the Technical Office of the State Tax Administration (AEAT)

The other Group companies are subject to the local jurisdictions in the countries in which they operate. Due to the different interpretations that could be made of the fiscal legislation in force, additional tax liabilities could arise in the event of 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.

## 21. Contingencies

Note 28 of the Consolidated Annual Accounts for the year ended 31 December 2021 provides information on contingent assets and liabilities at that date.

### **National Spanish Commission on Markets and Competition (Cash)**

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

On 20 February 2015, Prosegur filed an administrative appeal against the CNMC Council Investigation Order of 4 February 2015 issued by the Competition Directorate of the CNMC and the subsequent inspection actions.

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

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

On 13 February 2017, the National Court accepted the appeal proposed by Prosegur for processing, against the ruling of the Competition Chamber of the CNMC on 10 November 2016, commencing the relevant proceedings, prior to formal filing of the appeal. Prosegur made the corresponding appeal on 6 September 2018.

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

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

On 10 June 2019, Prosegur was notified of the Court Order declaring the proceedings to be concluded, with a vote and decision pending on the appeal lodged by Prosegur against the ruling on 10 November 2016 of the Competition Chamber of the CNMC.

On 11 September 2019, Prosegur filed an appeal for constitutional protection against the Resolution on the Investigation Order of 4 February 2015 and the inspection proceedings, issued by the Competition Chamber of the CNMC, the Ruling on the appeal against the Investigation Order that was made final after the Order of the Supreme Court and the Petition for Nullity. By Order of 16 June 2020, the Second Chamber of the Constitutional Court agreed not to accept the appeal for constitutional protection presented by Prosegur for not considering it to have the special constitutional significance which, as a condition for its acceptance, the law requires, whereby in 2020 the possibility of any legal appeals concluded with regard to the Resolution on the Investigation Order.

Prosegur decided to record in 2020 a provision on its best estimate available for an amount of EUR 8,695 thousand.

The date set by the National Court for the vote and decision on the appeal lodged by Prosegur against the ruling issued on 10 November 2016 by the Competition Chamber of the CNMC Council was 30 March 2022.

On 20 June 2022, notification was provided of the ruling given by the National Court upholding the appeal lodged by Prosegur against the ruling issued on 10 November 2016 by the Competition Chamber of the CNMC Council, which imposed a fine for EUR 39,420 thousand, agreeing the annulment of this court ruling for being contrary to the legal system. The ruling is subject to appeal before the Supreme Court within 30 days from the day after its notification.

As a result of the aforementioned court ruling, Prosegur has reversed the provision recorded for EUR 8,695 thousand.

Prosegur Compañía de Seguridad, S.A. will exclusively and at its own expense assume the defence of Prosegur and Prosegur Servicios de Efectivo España, S.L., having sole power regarding the directing and control of that defence and of the lawsuit.

### **National Spanish Commission on Markets and Competition (Security)**

On 10 March 2022, Spain's National Commission on Markets and Competition (the "CNMC") announced an investigation of possible anti-competitive practices consisting of alleged agreements for the tampering and award of public tenders for security and surveillance services. The CNMC conducted on-site inspections of Prosegur Soluciones Integrales de Seguridad España SL between 1-3 March 2022. This inspection is a preliminary step in the process for the investigation of alleged anti-competitive behaviours. The CNMC neither pre-determines the result of the investigation nor the culpability of the companies investigated. If, as a result of the inspection, the CNMC encounters signs of practices prohibited under the Spanish Competition Act (Competition Defence Act 15/2007, of 3 July) or the Treaty on the Functioning of the European Union, it may initiate formal proceedings to impose penalties. Agreements among competitors constitute an infringement of the Competition Defence Act and may give rise to fines of up to 10% of the total turnover of the infringing companies. Prosegur

Group Management conducted an internal investigation which did not reveal any proof or direct signs of the existence of practices that could involve the alleged infringements. As a result, Management assessed the risk of the imposition of penalties as improbable. As a result, the Group has not recorded any provision in its consolidated interim financial statements.

### **Chilean National Economic Prosecutor**

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

In 2021, the FNE requested sanctions, including a fine of approximately EUR 22,000 thousand from a Prosegur Group subsidiary in Chile (maximum sanction). On the date of these financial statements, the legal proceeding continues without the FNE having notified all parties to the proceeding, and therefore the period for the parties to file responses has not yet commenced.

As a result, the Prosegur Group recorded in 2021 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.

### **Portuguese Competition Authority**

Last 16 July 2021, the Portuguese Competition Authority (AdC) decided to investigate (“Nota de Illicitude”) several surveillance and security companies due to the alleged existence of potential market sharing and market fixing agreements in the field of public procurement. On 13 July 2022, the AdC communicated its decision (“Decisão”) to sanction Prosegur – Companhia de Segurança, Lda. by imposing a fine of EUR 8.1 million. AdC’s decision will be appealed by the company before the Court for the Defence of Competition, Regulation and Supervision.

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

## 22. Business combinations

Details of changes in goodwill during the first half of 2022 are presented in Note 11.3.

### 22.1. Goodwill added in 2022

Details of the net assets acquired and goodwill recognised on business combinations during the first half of 2022 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Cash business combinations in LatAm	2,613	974	3,587	(933)	4,520
Cash business combinations in Europe	4,275	3,735	8,010	2,523	5,487
	<b>6,888</b>	<b>4,709</b>	<b>11,597</b>	<b>1,590</b>	<b>10,007</b>

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
Cash business combinations in LatAm	2,613	(964)	1,649
Cash business combinations in Europe	4,275	(114)	4,161
	<b>6,888</b>	<b>(1,078)</b>	<b>5,810</b>

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

### Cash business combinations in LatAm

During the first half of 2022, Prosegur acquired a security company in LatAm that provides auxiliary banking services. The total purchase price was EUR 3,587 thousand, comprising a cash payment of EUR 2,613 thousand, and a deferred contingent consideration totalling EUR 974 thousand maturing in 2024, 2025 and 2026.

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

(Thousands of Euros)	<b>Carrying amount of the business acquired</b>	<b>Fair value</b>
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	—	4,101
Deferred tax liabilities	—	(1,025)
Long-term financial liabilities	(158)	(158)
Short-term financial liabilities	(31)	(31)
<b>Identifiable net assets acquired</b>	<b>(4,009)</b>	<b>(933)</b>

The goodwill on this acquisition was allocated to the Cash segment and to the LatAm geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 2,466 thousand) with a useful life of 18 years, trademarks (EUR 861 thousand) with a useful indefinite life, and other intangible assets (EUR 774 thousand) with a useful life between 7 years (Note 11.5).

### Cash business combinations in Europe

In the first half of 2022, Prosegur acquired in Europe a series of companies related to securities logistics and cash management services. The total purchase price was EUR 8,010 thousand, comprising a cash consideration of EUR 4,275 thousand, a deferred contingent consideration amounting to a total of EUR 411 thousand due in 2025 and a deferred payment of EUR 3,324 thousand, due in 2022 and 2023.

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

(Thousands of Euros)	<b>Carrying amount of the business acquired</b>	<b>Fair value</b>
Cash and cash equivalents	114	114
Property, plant and equipment	3,511	3,511
Inventories	22	22
Clients and other receivables	3,033	3,033
Suppliers and other payables	(4,670)	(4,670)
Other liabilities and expenses	(96)	(96)
Provisions	(443)	(443)
Non-current financial assets	58	58
Other intangible assets	1	1,611
Deferred tax liabilities	—	(455)
Long-term financial liabilities	(141)	(141)
Short-term financial liabilities	(21)	(21)
<b>Identifiable net assets acquired</b>	<b>1,368</b>	<b>2,523</b>

The goodwill on this acquisition was allocated to the Cash segment and to the European geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 1,610 thousand) with a useful life between 11 and 12 years.

## 22.2. Goodwill added in 2021 whose valuation is being reviewed in 2022

Details of the net assets acquired and goodwill recognised on business combinations during 2021 whose valuation is being reviewed in 2022 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Cash business combinations in LatAm	24,267	38,199	<b>62,466</b>	34,400	<b>28,066</b>
AVOS business combinations in LatAm	2,324	7,773	<b>10,097</b>	7,342	<b>2,755</b>
	<b>26,591</b>	<b>45,972</b>	<b>72,563</b>	<b>41,742</b>	<b>30,821</b>

Goodwill is not tax deductible.

At 31 December 2021, the total goodwill recognised for these additions was EUR 25,183 thousand for the Latin America Cash business combinations and EUR 4,813 thousand for the Latin America AVOS business combination. The difference generated by the verification of the fair values in 2022 corresponded to the re-estimate of the future deferred contingent consideration and fair values of identifiable net assets associated with the Latin America Cash business combination and to the re-estimate of the fair values of identifiable net assets associated with the Latin America AVOS business combination. Prosegur has not restated 2021 figures as the changes are not significant.

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	Cash outflow in acquisition
Cash business combinations in LatAm	24,267	(6,058)	18,209
AVOS business combinations in LatAm	2,324	(143)	2,181
	<b>26,591</b>	<b>(6,201)</b>	<b>20,390</b>

### Cash business combinations in LatAm

In 2021, Prosegur acquired a series of companies in LatAm devoted to payment and collection management. The total purchase price was EUR 62,466 thousand, comprising a cash consideration of EUR 24,267 thousand, a deferred contingent consideration amounting to a total of EUR 25,116 thousand, due in 2022, 2023 and 2024 and a deferred payment of EUR 13,083 thousand, due in 2022.

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

(Thousands of Euros)	<u>Carrying amount of the business</u>	<u>Fair value</u>
Cash and cash equivalents	6,058	6,058
Property, plant and equipment	4,032	4,032
Inventories	337	337
Clients and other receivables	5,394	5,394
Suppliers and other payables	(9,852)	(9,852)
Current tax assets	1,395	1,395
Current tax liabilities	(1,273)	(1,273)
Non-current financial assets	353	353
Other intangible assets	2,333	41,985
Deferred tax liabilities	—	(9,874)
Long-term financial liabilities	(4,739)	(4,739)
Deferred tax asset	584	584
<b>Identifiable net assets acquired</b>	<b>4,622</b>	<b>34,400</b>

The goodwill on this acquisition was allocated to the Cash segment and to the LatAm geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 21,307 thousand) with a useful life of between 2 and 13 years, trademarks (EUR 14,601 thousand) with a useful indefinite life, and other intangible assets (EUR 3,744 thousand) with a useful life of 7 years (Note 11.5).

### **AVOS business combinations in LatAm**

In LatAm, Prosegur acquired a series of companies providing business process outsourcing services to improve operational management through redesign, automation and digital transformation of clients. The total purchase price was EUR 10,097 thousand, comprising a cash payment of EUR 2,324 thousand, a deferred contingent payment for a total of EUR 7,773 thousand due for payment in 2022, 2023, 2024 and 2025.

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

(Thousands of Euros)	<u>Carrying amount of the business acquired</u>	<u>Fair value</u>
Cash and cash equivalents	143	143
Property, plant and equipment	45	45
Deferred tax asset	841	841
Clients and other receivables	2,602	2,602
Suppliers and other payables	(1,695)	(1,695)
Current tax assets	482	482
Current tax liabilities	(281)	(281)
Non-current financial assets	16	16
Other intangible assets	—	8,636
Deferred tax liabilities	—	(2,332)
Long-term financial liabilities	(488)	(488)
Short-term financial liabilities	(433)	(433)
Other liabilities and expenses	(194)	(194)
<b>Identifiable net assets acquired</b>	<b>1,038</b>	<b>7,342</b>

The goodwill on this acquisition was allocated to the AVOS segment and to the LatAm geographical area and mainly reflects the profitability of the business and sizeable synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 4,287 thousand) with a useful life of 14 years, a trademark (EUR 665 thousand) with a useful life of 5 years and specialised software (EUR 3,684 thousand) with a useful life of 7 years (Note 11.5).

### 22.3. Goodwill added in 2021 not reviewed in 2022

Details of the net assets acquired and goodwill recognised on business combinations during 2021 whose valuation has not been reviewed in 2022 are as follows:

Thousands of Euros	Cash payment	Deferred at fair value	Total purchase price	Fair value of identifiable net assets	Goodwill
Cash business combinations in Europe	110	40	150	150	—
Security business combinations in ROW	2,780	791	3,571	2,637	934
	<b>2,890</b>	<b>831</b>	<b>3,721</b>	<b>2,787</b>	<b>934</b>

Goodwill is not tax deductible.

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

Thousands of Euros	Cash payment	Cash and cash equivalents acquired	Cash outflow in acquisition
Cash business combinations in Europe	110	—	110
Security business combinations in ROW	2,780	—	2,780
	<b>2,890</b>	<b>—</b>	<b>2,890</b>

### Cash business combinations in Europe

In 2021, Prosegur acquired in Europe a series of assets relative to securities logistics and cash management services. The total purchase price was EUR 150 thousand, comprising a cash payment of EUR 110 thousand and a deferred payment of EUR 40 thousand maturing in 2022.

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

(Thousands of Euros)	Carrying amount of the business	Fair value
Property, plant and equipment	50	50
Other intangible assets	—	100
<b>Identifiable net assets acquired</b>	<b>50</b>	<b>150</b>

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 100 thousand) with a useful life of 5 years (Note 11.5).

### Security business combinations in ROW

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

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

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

The goodwill on this acquisition was allocated to the Security segment and to the ROW geographical area and mainly reflects the profitability of the business and major synergies expected to arise as a result of the acquisition by Prosegur. The intangible assets acquired comprise client relationships (EUR 1,976 thousand) with a useful life between 9 and 15 years (Note 11.5).

## 23. Related parties

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

### Procurement of goods and services

During the first half of 2022, Proactinmo, S.L.U. (controlled by Gubel, S.L.) invoiced Prosegur for the rental of four properties located in Madrid for EUR 1,892 thousand (at 30 June 2021: EUR 2,848 thousand). The four leases are at market prices.

During the first half of 2022, the Euroforum Group (controlled by Gubel, S.L.) invoiced Prosegur for hotel services amounting to EUR 37 thousand (at 30 June 2021: EUR 44 thousand).

During the first half of 2022, Agrocinegética San Huberto (controlled by Gubel, S.L.) invoiced Prosegur EUR 418 thousand (at 30 June 2021: EUR 120 thousand).

### Provision of services

During the first half of 2022, Prosegur provided services to Gubel, S.L. amounting to EUR 7 thousand (at 30 June 2021: EUR 9 thousand).

During the first half of 2022, Prosegur provided security services to Proactinmo, S.L.U. (controlled by Gubel, S.L.) for EUR 15 thousand (at 30 June 2021: EUR 35 thousand) and to Proactinmo Viviendas, S. L. (controlled by Gubel S,L.) for EUR 80 thousand (at 30 June 2021 Prosegur had not provided services to Proactinmo Viviendas, S.L.).

During the first half of 2022, Prosegur provided security services to the Euroforum Group (controlled by Gubel, S.L.) amounting to EUR 78 thousand (at 30 June 2021: EUR 15 thousand).

## 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 2022 and 2021 are as follows:

	Thousands of Euros	
	30 June 2022	30 June 2021
Fixed remuneration	465	465
Variable remuneration	506	506
Remuneration for membership of the Board and Committee	12	11
Life insurance premiums	38	33
Per diems	674	629
	<b>1,695</b>	<b>1,644</b>

## 2. Remuneration of Senior Management personnel

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

The remuneration accrued by all the Senior Management personnel of Prosegur for the six-month periods ended 30 June 2022 and 2021 is as follows:

	Thousands of Euros	
	<u>30 June 2022</u>	<u>30 June 2021</u>
Total remuneration accrued by Senior Management	2,042	1,723

The total commitment acquired by the Company at 30 June 2022 related to the 2018-2020 Plan, the 2021-2023 Plan and the Long-Term Incentive Retention Plan is recorded in liabilities for a total amount of EUR 5,089 thousand (Note 18).

### Loans to related parties

At 30 June 2022 and 2021 there were no loans to related companies except for the loan granted from Prosegur to one of its subsidiaries in India, SIS Cash Services Private Ltd, which is consolidated using the equity method for the amount of EUR 2,331 thousand (Note 12).

### 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 2022.

Recurrently, and for many years before the appointment of Fernando Vives as a director of the Company, the law firm J&A Garrigues, S.L.P. has provided Prosegur with legal counsel and tax advice, within the ordinary course of business and in market terms. Prosegur does not work solely with J&A Garrigues, S.L.P., but also receives legal counsel and tax advice from other firms. The fees received by J&A Garrigues, S.L.P. from Prosegur are not material for the firm and neither do they represent a significant amount on the accounts of Prosegur. At 30 June 2022 the fees amounted to EUR 269 thousand, representing less than 0.5% of Prosegur's total administration and sales expenses (Note 6) (at 30 June 2021 the amount was EUR 503 thousand).

In addition, in the six-month period ended 30 June 2022 Prosegur provided surveillance services to the law firm J&A Garrigues, S.L.P. The surveillance services invoiced to J&A Garrigues, S.L.P. at 30 June 2022 stood at EUR 425 thousand, accounting for less than 0.5% of Prosegur's sales (at 30 June 2021 it was EUR 377 thousand).

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

## 24. Average headcount

Details of the average headcount of Prosegur for the six-month periods ended 30 June 2022 and 30 June 2021 are as follows:

	<u>30 June 2022</u>	<u>30 June 2021</u>
Men	121,876	122,912
Women	30,695	28,622
	<u><b>152,571</b></u>	<u><b>151,534</b></u>

## 25. Events after the reporting date

At 30 June 2022, there were no significant events after the reporting date.

## 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 2021.

Additionally, Note 16 details the policies applied in relation to non-current assets and liabilities held for sale, which were not provided in the consolidated annual accounts of the previous year as the Prosegur Group did not have assets or liabilities of this nature as of 31 December 2021.

The Prosegur Group intends to adopt modifications to the standards issued by the IASB, which are not mandatory in the European Union, when they come into force, if applicable. Although the Group is currently analysing their impact, based on the analyses carried out to date, the Group considers that their initial application will not have a significant impact on its condensed interim consolidated financial statements, except for the following amendments issued:

- Amendments to IAS 8. Definition of accounting estimates: In these amendments the IASB has introduced a new definition of “accounting estimate”, which clarifies the difference between changes in accounting estimate, changes in accounting policies and corrections of errors. These amendments are effective for periods that start 1 January 2023 or later.
- Amendment to IAS 1 and to the IFRS Practice Statement no. 2 - Disclosure of accounting policies. In these amendments 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. It also provides a guide on how to apply the material concept to decide which accounting policies are indeed material. These amendments are effective for periods that start 1 January 2023 or later.
- Amendments to IAS 1: Presentation of financial statements - Classification of liabilities as current or non-current: In January 2020, the IASB issued its amendments to paragraph 69 to 76 of IAS 1 Presentation of financial statements to clarify the requirements that must be applied in the classification of liabilities as current or non-current. Specifically, it made clear:
  - What it means to have the right to defer settlement
  - That the right to defer settlement must exist at the end of the financial year
  - That the classification is not altered by the probability of exercising the right to defer
  - Only if an embedded derivative in a convertible liability is itself an equity instrument, will the terms of the liability not impact its classification.

These amendments are effective for periods that start 1 January 2023 or later, and must be applied retrospectively in accordance with IAS 8.



**PROSEGUR**

Directors' interim  
consolidated report  
for the six-month  
period ended  
30 June 2022

Prosegur Compañía de Seguridad, S.A.

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## Directors' interim consolidated report for the six-month period ended 30 June 2022

### 1. Events occurred since the end of 2021

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 2022 are detailed below:

#### Ukraine war

The instability in the international geopolitical situation, caused by the military invasion of the Russian Federation in Ukraine in February 2022, is causing a significant increase in prices of raw materials, energy prices and currency exchange rates.

Despite the environment of uncertainty described, the Group estimates that the war in Ukraine does not have a significant impact on its interim consolidated financial statements, since it does not operate in the geographical area in which the conflict takes place, and its lines of activity and its income statement have not been affected by the instability and by the increase in the cost of energy.

#### Financing

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

#### Treasury stock

The Board of Directors of Prosegur Compañía de Seguridad S.A. decided on 5 May 2022 to bring to an end the own share buyback programme approved by the Board of Directors of the Company on 30 September 2020 within the maximum term initially set, which ended 5 November 2023. Under the Programme, the Company has acquired a total of 3,577,356 shares, representing approximately 0.65% of its share capital. In accordance with the aim of the programme to reduce the Company's share capital, the Board of Directors will submit to the next Ordinary Shareholders General Meeting, to be held by the Company in 2023, the approval of a share capital reduction to redeem the shares acquired under the programme.

On 21 June 2022, Prosegur acquired a package of 1,737,600 of its own shares from an institutional investor, representing 0.32% of the share capital, at a price of EUR 1.644 per share, with a discount of EUR 0.01 per share (Note 17).

On 23 June 2022, Prosegur acquired a package of 5,952,583 of its own shares from an institutional investor, representing 1.09% of the share capital, at a price of EUR 1.642 per share, with a discount of EUR 0.01 per share (Note 17).

## COVID-19

During the first half of 2022, there was a recovery in the activity in most of the markets in which the Prosegur Group operates in its different business lines, close to pre-pandemic volumes. Additionally, there were no significant impacts on the condensed interim consolidated financial statements related to COVID-19 beyond the lockdowns and the unproductive hours increase due to our employees' sick leaves

### Resolution of Spain's National Commission on Markets and Competition (Cash)

On 20 June 2022, the National Court upheld the appeal that Prosegur filed against the ruling given on 10 November 2016 by the Competition Chamber of the Council of the National Commission on Markets and Competition, declaring the aforementioned ruling and the fine imposed therein as null and void. As a result, Prosegur has reversed the provision it had recorded associated with this procedure for EUR 8,695 thousand.

## 2. Performance of the business

### 2.1. Sales by geographical area

Prosegur consolidated sales for the first half of 2022 amounted to EUR 2,001.9 million (at 30 June 2021: EUR 1,637.4 million), representing an increase of 22.3%, resulting from an organic growth of 18.0%, an inorganic growth of 2.0%, and a positive exchange-rate effect of 2.3%.

Consolidated sales are distributed by geographical area as follows:

(Millions of Euros)	June 2021	June 2022	Growth
Europe	692.2	747.7	8.0%
ROW	170.1	229.1	34.8%
LatAm	775.1	1,025.1	32.3%
<b>Total Prosegur</b>	<b>1,637.4</b>	<b>2,001.9</b>	<b>22.3%</b>

The Group's sales for the first six months of the year increased in all the regions where Prosegur operates, with notable increases of over 30% recorded in ROW and LatAm.

The 8% increase in sales in Europe was due to an organic growth of 9.7% and an inorganic decrease of 1.7% due to the sale of 100% of Prosegur Soluciones S.A. to Movistar Prosegur Alarmas S.L. during 2021.

For its part, the increase in sales in ROW is mainly due to an organic growth of 23.6%, a positive exchange-rate effect of 9.2% and an inorganic growth of 2.0% mainly related to the acquisitions made in the United States during 2021.

Finally, the increase in sales experienced by LatAm corresponds to an organic growth of 24.2%, a positive exchange-rate effect of 2.8% and an inorganic growth of 5.3% due to the acquisitions made in Uruguay and Chile during 2021 and in Ecuador during 2022.

## 2.2. Sales by business area

Consolidated sales are distributed by business areas as follows:

(Millions of Euros)	June 2021	June 2022
Security	825.9	980.5
<i>% of total</i>	50.4 %	49.0 %
Cash	692.4	883.2
<i>% of total</i>	42.3 %	44.1 %
Alarms	96.8	89.7
<i>% of total</i>	5.9 %	4.5 %
AVOS	15.0	41.3
<i>% of total</i>	0.9 %	2.1 %
Cybersecurity	7.3	7.2
<i>% of total</i>	0.5 %	0.4 %
<b>Total Prosegur</b>	<b>1,637.4</b>	<b>2,001.9</b>

## 2.3. Margins

EBITA for the first half of 2022 was EUR 139.1 million (at 30 June 2021: EUR 92.7 million). The EBITA margin at the end of the first half of 2022 was 6.9% (at 30 June 2021: 5.7%).

The EBITA margin is as follows:

(Millions of Euros)	June 2021	June 2022
Sales	1,637.4	2,001.9
EBITA	92.7	139.1
EBITA margin	5.7 %	6.9 %

## 2.4. Outlook for the second half of 2022

During the first semester of 2022, Prosegur made excellent progress in recovering not only its billing but also its profitability levels.

Despite the negative impact of the Omicron variant of COVID-19 at the start of the year, which had a fairly negative effect on the calculation of the company's absenteeism, especially in the Security business, the Group has been strongly recovering its traditional levels of growth and profitability as the global situation stabilised, and exploiting the advantages that macro-inflationary environments mean for the business.

Indeed, in general terms, the Cash business benefited from the current inflationary situation due to the incremental effect that they have on cash in circulation volumes and the greater speed with which this has to be moved. Furthermore, Cash also completed several corporate acquisition transactions of companies in Germany and Ecuador that have improved its penetration in these regions, collaborating with the expansion of its profit margins and positioning it as one of the main operators of new correspondent banking services. A service that in LatAm has a high demand rate and which, together with the cash automation products, "Cash Today", represent more than 23% of the Cash business' total billing volumes.

For the second half of the year, prospects for progress in the Cash business remain positive. The volumes of cash transported in several countries have already returned to pre-pandemic levels, while recovery is consistent and steady in those still lagging behind. The increase in volumes is also accompanied by an improvement in profitability, and the penetration of new solutions and products continues to increase at higher rates than the growth of the traditional cash logistics business.

For its part, Security, and despite the negative effect of Covid, has also shown an excellent ability to transfer the increases in labour costs resulting from inflation to prices, while its volumes have also experienced strong growth, mainly in the United States, where organic growth was above 50% for the first half of the year and is expected to continue at similar rates during the second half of the year in comparison to the previous year.

The profitability of this line of activity was severely affected at the end of year 2021 and during the first few months of 2022 as the increase in employee downtime caused by Omicron coincided with the end of the stimulus programs that some governments (particularly the US government) had been providing to companies as a means of maintaining jobs during most of the pandemic.

Fortunately, these dilutive effects on profitability are already being gradually offset, and the Security business margins are increasing quarter on quarter. This allows us to establish optimistic estimates for the second half of the year, as the transfer of cost increases to the market progresses successfully, and billing volumes continue to grow at double-digit rates.

The global forecast of macro-recessionary environments in most regions, caused by the conflict in Ukraine and the energy crisis, could represent a certain risk of a slowdown in growth. However, it is worth highlighting the fact that private security is an industry that has already shown a high level of resilience in previous similar situations and that the negative effects of this type of situation usually take several quarters to manifest. For this reason, the outlook for 2022 remains positive.

With regard to the Alarm business, the forecasts for the second half of 2022 are hugely positive.

The joint-venture created with Telefónica for the Spanish residential alarms market – Movistar Prosegur Alarmas – exceeded during the first half of the year 400,000 clients, showing a growth rate of new incremental additions quarter on quarter, with more than 85% of its installations carried out in clients that had never had a domestic alarm before.

This is an excellent indicator of the low penetration that the residential security market still has in Spain, and makes it possible to anticipate similar, or better, growth rates, not only for the second half of this year, but also possibly for the coming years.

For its part, Prosegur Alarms, the rest of the business operated directly by Prosegur in eight countries, has also shown a good recovery level in volumes of additions after the commercial hiatus caused by the pandemic, which inhibited the commercial capacity for several months, while at the same time increasing the churn rate, particularly in alarms for small businesses which were forced to close during the Covid crisis.

During the first half of the year the situation reversed, and now Prosegur Alarms has recovered the positive growth in number of additions, and significantly reduced the churn rate of clients, increasing the monthly fee that they pay, which is also an excellent indicator of the capacity of this business line to update prices to inflation without its commercial capacity appearing to suffer in any way.

Additionally, Prosegur Alarms is in an active process of generating strategic partnerships with companies with a high volume of household clients, such as telephone operators, banks or insurance companies, with a great capacity to increase the commercial effort. These partnerships, of which several have already been established in LatAm and in Portugal, will in the short term trigger a notable higher acceleration in the growth of clients..

Finally, the two new lines of activity, AVOS and Cipher, are also showing very notable evolutionary growth indicators.

In the case of AVOS, the BPO (Business Process Outsourcing) technology solutions unit specialised in high added value services for financial situations and insurers, growth is proving to be in the high double-digits. This growth is being strengthened by M&A actions to expand its presence in the LatAm market. In addition, the profitability of this business line also continues to grow despite the certain negative impact during the first half of the year of Omicron.

Cipher, for its part, is finalising a strategic restructuring process of its offering that will allow it to focus on and gain share in high recurring clients with a global profile.

Proof of this is the recent award by the Spanish airports operating authority to Cipher of a major contract to guarantee protection against cyber attacks of the entire technological infrastructure of Spanish airports.

In conclusion, this is the breakdown of an excellent first half of the year in which Prosegur has strongly recovered its pre-pandemic growth rates, and in which the current market dynamics of each of the business lines make it possible to anticipate similar stages of progress to those observed during the first half of the year.

### 3. Average headcount

Details of the average headcount of Prosegur for the six-month periods ended 30 June 2022 and 2021 are as follows:

	30 June 2021	30 June 2022
Men	122,912	121,876
Women	28,622	30,695
	<b>151,534</b>	<b>152,571</b>

#### 4. Investments

All of Prosegur's investments are always analysed by the corresponding technical and operating areas and the management control department, which estimate and examine the strategic importance, return period and yields of the investments before these are approved.

Subsequently these are submitted to the Investment Committee for a final decision on whether to proceed with the investment. Investments in excess of EUR 0.6 million are submitted to the Board of Directors.

During the first half of 2022, investments in property, plant and equipment were approved for EUR 75.0 million (at 30 June 2021: EUR 78.8 million).

#### 5. Financial management

Prosegur 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, minus equity instruments in listed companies (included under the heading non-current financial assets), and minus other current financial assets.

Net financial debt at 30 June 2022 amounted to EUR 873.4 million (at 31 December 2021: EUR 795.8 million) (its calculation is detailed in Note 8 of the Directors' Report).

The net financial debt ratio (including equity instruments in listed entities and current and non-current lease liabilities) over own resources as of 30 June 2022 stood at 1.04 (31 December 2021: 1.26).

#### 6. Own shares

Details of changes in own shares during the first half of 2022 are as follows:

	Number of shares	Millions of Euros
<b>Balance at 31 December 2021</b>	<b>10,938,598</b>	<b>29.44</b>
Purchase of own shares	7,968,606	13.23
Other awards	(190,752)	(0.51)
<b>Balance at 30 June 2022</b>	<b>18,716,452</b>	<b>42.16</b>

## 7. Innovation

In Prosegur our aim is to undertake an accelerated digital transformation and investment in new disruptive technologies with a major focus on the development of new products and services hand in hand with our clients.

Trends in new technologies are growing and evolving at breakneck speed and with a great influence on our private security business, so that we continue to expand our capabilities in accordance with work methodologies that allow us to seamlessly bring innovative products to our clients. With the start of the new 2021-2023 Plan, Prosegur has a structure in line with the transformation strategy that is built on three pillars:

1. **Desirability:** The Design team is responsible for evaluating the interest that our clients have in new solutions, their suitability in the market and the ease with which they are incorporated into the services, through qualitative, quantitative and usability studies. Applying Design Thinking, Lean Startup and Lean UX methodologies, the Design team accompanies clients from the start of the whole innovative product development process.
2. **Feasibility:** The technical and economic feasibility of the new products is evaluated by the Innovation team, who through concept tests and pilot projects guarantees the quality of the technologies added to the product catalogue, making for more seamless integration with our systems and processes.
3. **Scalability:** Highly qualified technical teams are responsible for ensuring that the solutions are communicated with all our systems and can be deployed uniformly in any of the regions in which Prosegur operates. Specialists in IoT, Data, AI and a large group of developers are responsible for ensuring that the result is communicated to the client reliably and thoroughly, creating for Prosegur what we call New Products.

Coordinated by the Product Management team and in continuous collaboration with key business areas, the Product Innovation and Development teams work in a coordinated way striving ultimately for maximum client satisfaction.

The stepping up of Product Innovation and Development activities as part of the Perform & Transform 2021-2023 Strategic Plan will help us achieve the Company's ambitious transformation objective. This challenge will be possible thanks to the tireless work and dedication of the team focused on the client's needs, carrying out the technological exploration process and product development until landing a tangible and marketable product. This entire process will ensure the comprehensive protection of people and companies with high added value and with uniqueness over our competitors.

Of the achievements made in the first years of the plan, worth mentioning in particular in Prosegur Alarmas is the launch of intelligent recognition based on Azure, which allows us to provide intelligence to our clients' video cameras and receive notifications with useful information for them: detection of people, pets, noise, etc.

Another innovative product that has recently come onto the market is Operations Monitoring, an IoT-based solution that allows critical variables of client processes to be monitored from our SOC, from environmental variables to the operation of critical equipment. The pilot projects carried out to test this service include the one in Argentina with the monitoring of temperature, humidity, CO2 and detection of acts of vandalism in silobags where the grain of the harvest was stored, or the one for monitoring temperature, humidity and movement of works of art exhibited at the Bank of Spain.

In the coming months we will be able to see how the terrestrial robotics services that have been tested at sports and leisure events become a remote surveillance product thanks to the control of these devices from the SOC. Quadrupedal robots like Yellow or other more affordable terrestrial locomotion ones, equipped with PTZ and thermal cameras, will incorporate artificial intelligence and sensors to measure gases, temperature and other variables.

What is described above is nothing less than the achievement of the activities initiated in the 2018-2020 Strategic Plan in which Prosegur showed its commitment to innovation, which is ongoing now and will continue to be so in the coming years.

## 8. Alternative Performance Measures

In order to comply with ESMA Guidelines on APMs, Prosegur presents this additional information to aid the comparability, reliability and understanding of its financial information. The Company presents its profit/(loss) in accordance with International Financial Reporting Standards (IFRS). However, Management considers that certain alternative performance measures provide additional useful financial information that should be taken into consideration when assessing its performance. Management also uses these APMs to make financial, operating and planning decisions, as well as to assess the Company's performance. Prosegur provides those APMs it deems appropriate and useful for users to make decisions and those it is convinced represent a true and fair view of its financial information.

APM	Definition and calculation	Purpose
Working capital	This is a finance measure that represents the operating liquidity available for the Company. Working capital is calculated as current assets less current liabilities plus deferred tax assets less deferred tax liabilities less non-current provisions.	Positive working capital is necessary to ensure that the Company can continue its operations and has sufficient funds to cover matured short-term debt as well as upcoming operating expenses. Working capital management consists of the management of inventories, payables and receivables and cash.
EBIT margin	The EBIT margin is calculated by dividing the operating profit/(loss) of the company by the total figure of revenue.	The EBIT margin provides the profitability obtained of the total revenue accrued.
Organic Growth	Organic growth is calculated as an increase or decrease of income between two periods adjusted by acquisitions and disinvestments and the exchange rate effect.	Organic growth provides the comparison between years of the growth of the revenue excluding the currency effect.
Inorganic Growth	The Company calculates inorganic growth for a period as the sum of the revenue of the companies acquired. The income from these companies is considered inorganic for 12 months following their acquisition date.	Inorganic growth provides the growth 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.
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 (deposits and investment funds).	The net debt provides the gross debt less cash in absolute terms of a company.
EBITA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period without including the profit/(loss) after taxes from discontinued operations, income taxes, financial income or costs, or depreciations of goodwill or the amortisation of intangible assets, but including the depreciation of computer software.	The EBITA provides an analysis of earnings before taxes, tax burden and amortisation of intangible assets.
EBITDA	EBITDA is calculated on the basis of the consolidated profit/(loss) for the period for a company, excluding earnings after taxes from discontinued operations, income taxes, financial income or costs, and amortisation expenses or depreciation on goodwill.	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.

<b>Working capital</b> (in millions of Euros)	<b>31.12.2021</b>	<b>30.06.2022</b>
Inventories	65.4	87.2
Clients and other receivables	733.2	849.4
Current tax assets	80.5	66.9
Cash and cash equivalents	585.0	1,094.8
Other current financial assets	1.0	8.9
Non-current assets held for sale	—	92.0
Deferred tax assets	106.9	122.2
Suppliers and other payables	(814.7)	(744.2)
Current tax liabilities	(162.5)	(157.0)
Current financial liabilities	(246.7)	(937.4)
Other current liabilities	(41.6)	(42.7)
Deferred tax liabilities	(77.3)	(75.5)
Provisions	(202.3)	(226.1)
Liabilities associated with non-current assets held for sale	—	(51.0)
<b>Total Working Capital</b>	<b>26.9</b>	<b>87.5</b>

<b>EBIT margin</b> (in millions of Euros)	<b>30.06.2021</b>	<b>30.06.2022</b>
EBIT	78.3	121.9
Revenue	1,637.4	2,001.9
<b>EBIT margin</b>	<b>4.8%</b>	<b>6.1%</b>

<b>Organic growth</b> (in millions of Euros)	<b>30.06.2021</b>	<b>30.06.2022</b>
Revenue current year	1,637.4	2,001.9
Less: revenue previous year	1,845.0	1,637.4
Less: inorganic growth	(77.4)	32.2
Exchange rate effect	(181.5)	37.1
<b>Total Organic Growth</b>	<b>51.2</b>	<b>295.2</b>

<b>Inorganic growth</b> (in millions of Euros)	<b>30.06.2021</b>	<b>30.06.2022</b>
Cash LatAm	9.6	31.9
Cash Europe	0.8	8.9
Cash ROW	3.2	—
AVOS LatAm	—	8.9
Security ROW	—	3.5
Disinvestments	(90.9)	(21.0)
<b>Total Inorganic Growth</b>	<b>(77.4)</b>	<b>32.2</b>

<b>Exchange rate effect</b> (in millions of Euros)	<b>30.06.2021</b>	<b>30.06.2022</b>
Revenue current year	1,637.4	2,001.9
Less: revenue from the year underway at the exchange rate of the previous year	1,818.9	1,964.8
<b>Exchange rate effect</b>	<b>(181.5)</b>	<b>37.1</b>

<b>Net financial debt</b> (in millions of Euros)	<b>31.12.2021</b>	<b>30.06.2022</b>
Financial liabilities	1,680.0	2,378.6
Finance lease liabilities	102.1	99.2
<b>Adjusted financial liabilities (A)</b>	<b>1,782.1</b>	<b>2,477.7</b>
<i>Cash and cash equivalents</i>	<i>(585.0)</i>	<i>(1,094.8)</i>
<i>Net debt associated with non-current assets held for sale</i>	<i>—</i>	<i>(35.8)</i>
Less: adjusted cash and cash equivalents (B)	(585.0)	(1,130.6)
Less: other current financial assets (C)	(1.0)	—
<b>Total Net Financial Debt (A+B+C)</b>	<b>1,196.2</b>	<b>1,347.1</b>
Less: other non-bank borrowings (D)	(107.6)	(129.6)
Less: Finance lease liabilities (E)	(102.1)	(99.2)
Less: Debt from lease payments and other non-bank borrowings associated with non-current assets held for sale (F)	—	(4.1)
<b>Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&amp;A and financial debt from lease payments) (A+B+C+D+E+F)</b>	<b>986.6</b>	<b>1,114.2</b>
Minus: equity instruments of listed companies (G)	(190.7)	(240.8)
<b>Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&amp;A payments, financial debt from lease payments and including the value of equity instruments of listed companies) (A+B+C+D+E+F+G)</b>	<b>795.8</b>	<b>873.4</b>
<hr/>		
<b>EBITA</b> (in millions of Euros)	<b>30.06.2021</b>	<b>30.06.2022</b>
Consolidated profit/(loss) for the year	26.3	39.9
Non-controlling interests	2.3	8.8
Income taxes	45.8	50.3
Net financial expenses	3.8	22.9
Depreciation and amortisation	14.5	17.2
<b>EBITA</b>	<b>92.7</b>	<b>139.1</b>
<hr/>		
<b>EBITDA</b> (in millions of Euros)	<b>30.06.2021</b>	<b>30.06.2022</b>
Consolidated profit/(loss) for the year	26.3	39.9
Non-controlling interests	2.3	8.8
Income taxes	45.8	50.3
Net financial expenses	3.8	22.9
Depreciation and amortisation	93.2	104.5
<b>EBITDA</b>	<b>171.4</b>	<b>226.4</b>

## 9. Subsequent events

At 30 June 2022, there were no significant events after the reporting date.

## STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL REPORT OF THE FIRST HALF OF 2022

The members of the Board of Directors of Prosegur Compañía de Seguridad, S.A. state, to the best of their knowledge, that the financial information selected from Prosegur Compañía de Seguridad, S.A., as well as the condensed interim consolidated financial statements of Prosegur Compañía de Seguridad, S.A. and its subsidiaries, for the first half of 2022, drawn up by the Board of Directors, at its meeting of 27 July 2022, 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 Compañía de Seguridad, 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, 27 July 2022

Ms Helena Irene Revoredo Delvecchio  
President

Mr Ángel Durández Adeva  
Director

Mr Christian Gut Revoredo  
Vice-president and Managing Director

Mr Eugenio Ruiz-Gálvez Priego  
Director

Ms Chantal Gut Revoredo  
Director

Mr Rodrigo Zulueta Galilea  
Director

Mr Fernando Vives Ruíz  
Director

Ms Isela Costantini  
Director

Mr Fernando D'Ornellas Silva  
Director

Proceeding to record that the Board of Directors of Prosegur Compañía de Seguridad, S.A. in the meeting held in Madrid on 27 July 2022 has drawn up the Half-Yearly Financial Report for the first half of 2022, 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 Compañía de Seguridad, S.A. and its subsidiaries, and the statement of responsibility of the Directors, all corresponding to the first half of 2022, documentation which 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 29 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 statements of responsibility on its content have been signed by the directors of Prosegur Compañía de Seguridad, S.A.

And all of which as secretary of the Board of Directors, I attest to, in Madrid on 27 July 2022.

Signed: Mr Antonio Rubio Merino

(Non-Director Secretary)

