



PROSEGUR
CASH

Prosegur CASH and subsidiaries

Interim quarterly financial information

Interim financial statements for the third quarter of 2022

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

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I. Profit/(loss) for January to September 2022 and for January to September 2021

Million Euros

CONSOLIDATED RESULTS	9M 2021	9M 2022	% Var.
Revenue	1,082.2	1,417.4	31.0%
EBITDA	210.1	274.7	30.7%
<i>Margin</i>	19.4%	19.4%	
Depreciation Property, plant and Equipment	(69.1)	(79.9)	15.5%
EBITA	141.0	194.8	38.2%
<i>Margin</i>	13.0%	13.7%	
Amortization Intangible assets	(15.2)	(17.2)	13.0%
EBIT	125.8	177.7	41.2%
<i>Margin</i>	11.6%	12.5%	
Net financial income/(expense)	(34.3)	(32.5)	-5.4%
EBT	91.4	145.2	58.8%
<i>Margin</i>	8.4%	10.2%	
Income tax	(51.6)	(67.3)	30.4%
Net Result from continuing operations	39.8	77.9	95.6%
Net Result	39.8	77.9	95.6%
Non controlling interests	0.2	0.1	-
Consolidated Net Result	40.0	78.0	95.1%
<i>Margin</i>	3.7%	5.5%	
Earnings per share (Euros per share)	0.03	0.05	

II. Performance in the period

Sales at Prosegur CASH in the period from January to September of 2022 amounted to EUR 1,417.4 million, an increase of 31.0% on the EUR 1,082.2 million in the same period of the previous year. Organic growth and inorganic growth have had a positive impact of 26.8% and 4.8%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 0.6%.

Likewise, EBITA in the reporting period amounted to EUR 194.8 million, implying a 13.7% margin in relation to sales. The increase in EBITA compared to the same period the previous year stands at 38.2%. The 2021 EBITA included the positive effect of extraordinary income of EUR 20.3 million from the sale to Prosegur in March 2021 of certain areas of the added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, as well as its associated technology.

The increase in EBITA from January to September 2022 compared to the same period of the previous year can be mainly explained by the following impacts:

- Recovered volumes transported: a solid recovery in domestic activity and consumption in the first 9 months of 2022, with the trend starting in the closing months of 2021 once the health restrictions were eased; as a result, the CASH Group recovered the business volumes it had before the pandemic in many countries, and even exceeded them in some geographical areas.
- Growth of New Products: there has been a sustained growth trend in New Products, which has strengthened the increase in its weight in the CASH Group's sales mix, representing 24.7% of total sales compared to 21.3% in the same period of the previous year.
- Recovered margins: Margins increased primarily as a result of the positive impact of operating leverage generated by recovered volumes and boosted by the cost containment policies and efficiency programmes implemented in 2020 and 2021.

Consolidated net profit was EUR 78.0 million, compared to EUR 40.0 million in 2021.

Interim statement (January – September 2022)

1. Performance of the business

Details of the business performance of the main consolidated income statement items for the period from January to September 2022 and their comparison for the period from January to September 2021 is detailed below:

a) Sales

Sales at Prosegur CASH in the period from January to September 2022 amounted to EUR 1,417.4 million, an increase of 31.0% on the EUR 1,082.2 million in the same period of the previous year. Organic growth and inorganic growth have had a positive impact of 26.8% and 4.8%, respectively. In addition, the negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 0.6%.

The table below shows the breakdown of Prosegur CASH's sales by geographical area and business line:

Million Euros												
Revenue 9M	Europe			AOA			LatAm			Prosegur Cash Total		
	2021	2022	% Var.	2021	2022	% Var.	2021	2022	% Var.	2021	2022	% Var.
Cash in transit	156.0	187.5	20.2%	48.0	61.0	27.1%	395.3	507.6	28.4%	599.3	756.1	26.2%
<i>% of total</i>	53.1%	52.1%		60.0%	60.4%		55.8%	53.1%		55.4%	53.3%	
Cash management	85.2	105.0	23.2%	17.8	18.9	6.1%	149.0	187.7	26.0%	252.0	311.5	23.6%
<i>% of total</i>	29.0%	29.2%		22.3%	18.8%		21.0%	19.6%		23.3%	22.0%	
New products	52.7	67.4	27.9%	14.2	21.0	47.9%	164.0	261.4	59.4%	230.9	349.8	51.5%
<i>% of total</i>	17.9%	18.7%		17.8%	20.8%		23.2%	27.3%		21.3%	24.7%	
Total revenue	293.9	359.9	22.4%	80.0	100.9	26.1%	708.3	956.6	35.1%	1,082.2	1,417.4	31.0%

As a result of the solid recovery of domestic activity and consumption during the first nine months of 2022, the CASH Group recovers business volumes close to those it had before the pandemic and even exceeds them in some geographies.

Furthermore, given the different behaviour of currencies in several regions where the Group conducts its business, currencies have had a slightly negative impact in the January-to-September 2022 period.

Lastly, New Products performed strongly, ramping up its weight over total sales thanks to a combination of organic growth and selective acquisitions. In relative terms, the growth in New Products in the opening months of 2022 was 51.5% compared to the same period of the previous year. This growth rises to 62.7% excluding the divestments set out below.

In March 2021, the CASH Group sold to the Prosegur Group certain areas of the added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, as well as its associated technology. Thus, in 2021, New Products in Europe included 3 months of sales for the AVOS business.

The table below shows sales growth by region, with a breakdown of the contribution by organic growth, the effects of changes in the consolidation scope and, finally, the exchange rate impact:

Million Euros						
Revenue						
	9M 2021	9M 2022	% Var.	Organic	Inorganic	Exchange Rate
Europe	293.9	359.9	22.4%	16.1%	6.3%	0.0%
LatAm	708.3	956.6	35.1%	31.9%	4.7%	-1.6%
AOA	80.0	100.9	26.1%	20.6%	0.2%	5.3%
Total revenue	1,082.2	1,417.4	31.0%	26.8%	4.8%	-0.6%

b) Operating profit/(loss)

EBITA for the period from January to September 2022 amounted to EUR 194.8 million, an increase of 38.2% on the same period in 2021 when the figure was EUR 141.0 million. The EBITA margin over sales in January-September 2022 was 13.7%, compared to 13.0% in the previous year.

Although EBITA in 2021 included extraordinary income amounting to EUR 20.3 million deriving from the sale to the Prosegur Group in March 2021 of certain areas of the added value outsourcing processes and services business (AVOS), EBITA for the January-to-September 2022 period is higher than in the same period of the previous year, in absolute and relative terms, primarily as a result of the recovery of pre-pandemic business levels, the good performance of the New Products, and the effect of the efficiency programmes implemented in 2020 and 2021.

c) Finance income and expenses

From January to September 2022, Prosegur CASH obtained a negative financial result of EUR 32.5 million compared to a negative result of EUR 34.3 million for the same period in 2021, which represents a positive impact of EUR 1.9 million in the income statements compared with the previous year. The main changes in the financial result were as follows:



- The financial expenses for interests in January to September 2022 were EUR 20.8 million, compared to EUR 19.9 million in the same period in 2021, accounting for an expense increase of EUR 0.8 million.

- Currency exchange losses in the period from January to September 2022 amounted to EUR 25.4 million, compared to the currency exchange losses of EUR 22.0 million in the same period in 2021, implying a negative comparative impact of EUR 3.4 million.

- The net finance income from the net monetary position amounted to EUR 13.8 million in January to September 2022 compared to EUR 7.6 million income during the same period in 2021, which represents a positive comparative impact of EUR 6.1 million.

d) Net profit

The net profit for January to September 2022 amounts to EUR 77.9 million, compared to EUR 39.8 million during the same period in 2021.

The effective tax rate has been 46.4% in the first nine months of 2022, compared with 56.5% in the first nine months of 2021.

2. Significant events and transactions

Significant events

Business combinations

During the January-to-September 2022 period Prosegur CASH acquired:

- in Iberoamérica, a company that provides payment management services;
- in Europe, two companies that provide cash in transit and cash management services;
- in Europe, a group of companies specialised in retail foreign exchange trading with a large network of ATMs.

Corporate merger transactions with third parties in Australia

On 28 July 2022, Prosegur Australia Holding Pty Ltd, a company wholly owned by Prosegur Cash, entered into an agreement with Linfox Proprietary Limited (Linfox) for the merger of the cash transport, cash management and ATM businesses of Prosegur Australia and Linfox Armaguard Pty Ltd (hereinafter, the Transaction).

The Transaction addresses the need to ensure the sustainability of the supply of cash in the Australian market as a critical infrastructure of the country's economic system. It is structured, subject to compliance with the conditions precedent, through the contribution by Prosegur Cash in Australia to Armaguard of 100% of the share capital of the subsidiaries of Prosegur Cash in Australia that conduct the Business, free of cash and debt, in exchange for the delivery of shares in Armaguard representing 35% of the share capital of the abovementioned company. As a result, the joint venture which, following the closing of the Transaction, will conduct the Businesses will be owned in a proportion of 65% by Linfox and 35% by Prosegur Australia.

The completion of the Transaction is conditional upon obtaining, among others, the corresponding regulatory authorisations, including, specifically, authorisation from the Australian Competition and Consumer Commission.

War in Ukraine

Despite the continuing instability in the international geopolitical situation triggered by the Russian Federation's military invasion of Ukraine, at 30 September 2022 there is no material impact on the CASH Group's financial statements, given that it does not operate in the geographic area in which the conflict is unfolding.

3. Consolidated financial information

The consolidated financial information was prepared in accordance with International Financial Reporting Standards (IFRS-EU) applicable at 30 September 2022. Such accounting standards have been applied to both financial years 2022 and 2021.

The treatment of Argentina as a hyperinflationary economy should be taken into account in order to understand the consolidated financial statements. The financial statements of the Argentine subsidiaries whose functional currency is the Argentine peso have been re-stated in terms of the current unit of measurement at closing date from September 2022 and December 2021 before being included in the consolidated financial statements.

The main variations in the consolidated balance sheet at 30 September 2022 compared to the close of financial year 2021 are summarised as follows:

Million Euros

CONSOLIDATED BALANCE SHEET	31/12/2021	30/09/2022
Non current assets	1,088.8	1,282.4
Property, plant and equipment	337.9	365.2
Goodwill	389.1	501.5
Other intangible assets	200.6	211.0
Rights of use	78.5	108.1
Investments accounted for using the equity method	6.5	12.3
Non current financial assets	24.1	25.8
Other non current assets	52.0	58.5
Current assets	643.0	884.7
Inventories	14.1	23.3
Trade and other receivables	330.2	403.2
Accounts receivables with Prosegur Group	47.8	57.9
Non current assets held for sale	-	95.2
Cash and cash equivalents	250.8	305.0
ASSETS	1,731.8	2,167.1
Equity	76.2	234.6
Share capital	30.5	30.5
Retained earnings and other reserves	45.8	204.2
Non-Current Liabilities	965.7	1,126.9
Financial liabilities and other financial liabilities	716.4	807.2
Other non-current liabilities	185.4	229.0
Long term lease liabilities	63.9	90.6
Current Liabilities	689.9	805.6
Short term financial liabilities and other financial liabilities	133.5	209.1
Short term lease liabilities	23.5	25.4
Trade and other payables	451.0	420.8
Accounts payable with Prosegur Group	74.1	83.1
Other current liabilities	7.7	10.8
Liabilities associated with non-current assets held for sale	-	56.4
EQUITY AND LIABILITIES	1,731.8	2,167.1

a) Property, plant and equipment

Investment in PPE during the period from January to September 2022 amounted to EUR 48.9 million, destined mainly to investment in armoured vehicles and properties.

b) Rights-of-use and lease liabilities

The asset recognised in the balance sheet for the current amount of all future payments associated to operating leases in September 2022 amounted to EUR 108.1 million. EUR 90.6 million and EUR 25.4 million, respectively, were recorded under non-current and current lease liabilities.

c) Goodwill

During the period from January to September 2022 no impairment losses in goodwill have been registered.

d) Investments in associates

The change in investments in associates relates mainly to the profit/(loss) at equity-accounted investees. The change in the year is primarily due to new acquisitions made during the January-to-September 2022 period.

e) Non-current assets and liabilities held for sale

As a consequence of the fact that on 28 July 2022 Prosegur Australia Holding Pty Ltd, a company wholly owned by Prosegur Cash, entered into an agreement with Linfox Proprietary Limited (Linfox) for the merger of the cash transport, cash management and ATM businesses of Prosegur Australia and Linfox Armaguard Pty Ltd, the assets and liabilities associated with PTY Limited and Precinct Hub Pty Limited are classified as held for sale at 30 September 2022 (see Significant events and transactions in section 2 of this document).

f) Net equity

The changes in net equity during the period from January to September 2022 arose mainly under net profit in the period and the reserve for cumulative translation differences.

g) Net financial position

Prosegur CASH calculates financial position as total bank borrowings (current and non-current) with credit institutions, minus cash and cash equivalents, and minus other current financial assets.

The financial position at 30 September 2022 was EUR 522.3 million, having decreased by EUR 1.3 million from the amount at 31 December 2021 (EUR 523.6 million). This figure does not include lease liabilities.

At 30 September 2022, the annualised net financial position/EBITDA ratio has reached 1.43 and the net financial position/shareholder equity ratio has reached 2.23.

At 30 September 2022, the liabilities for debts with credit entities corresponded mainly to the following:

- Issue of uncovered bonds due in February 2026 amounting to EUR 600 million.
- In February 2017, Prosegur CASH has had a syndicated financing operation for a credit facility amounting to EUR 300.0 million maturing in 2026. At 30 September 2022 the balance drawn down from this loan amounted to EUR 70.0 million.
- In June 2021, Prosegur CASH arranged a financing operation in Peru amounting to PEN 300.0 million, maturing in 5 years. At 30 September 2022, the drawn down capital amounted to PEN 225.0 million (equivalent to EUR 57.7 million).
- Prosegur CASH, through its subsidiary Prosegur Australia Investments PTY Limited, contracted a syndicated financing operation as of April 2017, amounting to AUD 70.0 million with maturities in 2021, 2022 and 2023. At 30 September 2022, the drawn down capital amounted to AUD 50.0 million (equivalent to EUR 33.2 million).

h) Other non-current and current liabilities

This heading comprises provisions for labour, legal and other risks, including tax risks and accruals with personnel.

i) Trade and other payables

This heading includes mainly trade payables and income tax and other tax payables to public treasury.

The total net cash flow of CASH Group generated in the period from January to September 2022 was as follows:

Million Euros	
CONSOLIDATED CASH FLOW	30/09/2022
EBITDA	274.7
Adjustments to profit or loss	10.5
Income tax	(71.1)
Change in working capital	(56.7)
Interest payments	(4.3)
OPERATING CASH FLOW	153.1
Acquisition of Property, plant and equipment	(48.9)
Payments acquisition of subsidiaries	(31.3)
Dividend payments	(21.9)
Other flows for investment / financing activities	(43.7)
CASH FLOW FROM INVESTMENT / FINANCING	(145.9)
TOTAL NET CASH FLOW	7.3
INITIAL NET DEBT (31/12/2021)	(523.6)
Net (Decrease) / Increase in treasury	7.3
Exchange rate effect	(6.0)
NET DEBT AT THE END OF THE PERIOD (30/09/2022)	(522.3)

4. Alternative Performance Measures

In order to meet ESMA guidelines on Alternative Performance Measures (hereinafter, APMs), the Prosegur CASH Group 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 Accounting Standards (IFRS-EU). 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. The Prosegur CASH Group 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 experienced by the company through new acquisitions or divestments.
Exchange rate effect	The Company calculates the exchange rate effect as the difference between the revenue for the current year less the revenue for the current year using the exchange rate of the previous year.	The exchange rate effect provides the impact of currencies on the revenue of the company.
Cash flow translation rate	The Company calculates the cash translation rate as the difference between EBITDA less the CAPEX on EBITDA.	The cash flow conversion rate provides the cash generation of the Company.
Net Financial Debt	The Company calculates financial debt as the sum of the current and non-current financial liabilities (including other payables corresponding to deferred M&A payments and financial liabilities with Group companies) minus cash and cash equivalents, minus current investments in group companies and minus other current financial assets.	The net debt provides the gross debt less cash in absolute terms of a company.
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, taxes on earnings, 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 company is earning or losing in the business itself. The EBITDA 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 thereof of limited interest for investors.

Working capital (in millions of Euros)	31.12.2021	30.09.2022
Inventories	14.1	23.3
Clients and other receivables	280.2	341.0
Receivables with Prosegur Group	47.8	57.9
Current tax assets	48.7	59.9
Current financial assets	1.3	2.3
Cash and cash equivalents	250.8	305.0
Non current assets held for sale	-	95.2
Deferred tax assets	52.0	58.5
Suppliers and other payables	(363.2)	(336.9)
Current tax liabilities	(87.2)	(83.7)
Current financial liabilities	(133.5)	(209.1)
Payables with Prosegur Group	(74.1)	(83.1)
Other current liabilities	(7.7)	(10.8)
Deferred tax liabilities	(59.0)	(73.2)
Provisions	(127.0)	(156.0)
Liabilities associated with non current assets held for sale	-	(56.4)
Total Working Capital	(156.7)	(66.1)
EBIT margin (in millions of Euros)	30.09.2021	30.09.2022
EBIT	125.8	177.7
Revenue	1,082.2	1,417.4
EBIT margin	11.6%	12.5%
Organic Growth (in millions of Euros)	30.09.2021	30.09.2022
Revenue current year	1,082.2	1,417.4
Less: revenue previous year	1,139.7	1,082.2
Less: Inorganic Growth	0.9	52.2
Exchange rate effect	(108.1)	(6.9)
Total Organic Growth	49.7	289.9
Inorganic Growth (in millions of Euros)	30.09.2021	30.09.2022
Europe	(24.9)	18.6
AOA	3.2	0.1
LatAm	22.6	33.5
Total Inorganic Growth	0.9	52.2
Exchange Rate Effect (in millions of Euros)	30.09.2021	30.09.2022
Revenue current year	1,082.2	1,417.4
Less: Revenue from the year underway at the exchange rate of the previous year	1,190.3	1,424.3
Exchange rate effect	(108.1)	(6.9)
Cash Flow Translation Rate (in millions of Euro)	30.09.2021	30.09.2022
EBITDA	210.1	274.7
CAPEX	42.0	48.9
Conversion Rate (EBITDA - CAPEX / EBITDA)	80%	82%

Net financial debt (In millions of Euros)	31.12.2021	30.09.2022
Financial liabilities	849.9	1,016.3
Plus: Financial debt from lease payments and others	84.2	105.7
Adjusted financial liabilities (A)	934.1	1,122.0
Non-bank borrowings with Group (B)	-	-
<i>Cash and cash equivalents</i>	<i>(250.8)</i>	<i>(305.0)</i>
<i>Net debt associated with non current assets held for sale</i>	<i>-</i>	<i>(37.4)</i>
Less: adjusted cash and cash equivalents (C)	(250.8)	(342.4)
Less: Own shares (D)	(11.4)	(23.3)
Total Net Financial Debt (A+B+C+D)	671.9	756.3
Less: other non-bank borrowings (E)	(72.3)	(137.7)
Plus: Own shares (F)	11.4	23.3
Less: Financial debt from lease payments (G)	(87.4)	(116.0)
Less: Debt from lease payments and other non bank borrowings associated with non current assets held for sale (H)	-	(3.6)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A payments and financial debt from lease payments) (A+B+C+D+E+F+G+H)	523.6	522.3
EBITA (in millions of Euros)	30.09.2021	30.09.2022
Consolidated profit/(loss) for the year	40.0	78.0
Non controlling interests	(0.2)	(0.1)
Income taxes	51.6	67.3
Net financial expenses	34.3	32.5
Amortisation	15.2	17.2
EBITA	141.0	194.8
EBITDA (in millions of Euros)	30.09.2021	30.09.2022
Consolidated profit/(loss) for the year	40.0	78.0
Non controlling interests	(0.2)	(0.1)
Income taxes	51.6	67.3
Net financial expenses	34.3	32.5
Depreciation, amortisation and impairment	84.3	97.1
EBITDA	210.1	274.7