PROSEGUR
CASH

Prosegur CASH and subsidiaries

Interim quarterly financial information

Interim financial statements for the first quarter of 2021

(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 March 2021 and for January to March 2020

Million Euros

CONSOLIDATED RESULTS	1Q 2020	1Q 2021	% Var.
Revenue	**415.3**	**345.5**	**-16.8%**
EBITDA	**75.7**	**76.1**	**0.5%**
Margin	*18.2%*	*22.0%*	
Depreciation Property, plant and Equipment	(23.1)	(21.6)	-6.2%
EBITA	**52.6**	**54.5**	**3.5%**
Margin	*12.7%*	*15.8%*	
Amortization Intangible assets	(5.0)	(5.2)	4.0%
EBIT	**47.7**	**49.3**	**3.4%**
Margin	*11.5%*	*14.3%*	
Net financial income/(expense)	(1.5)	(2.3)	46.8%
EBT	**46.2**	**47.1**	**2.0%**
Margin	*11.1%*	*13.6%*	
Income tax	(18.4)	(14.1)	-23.3%
Net Result from continuing operations	**27.8**	**33.0**	**18.7%**
Net Result	**27.8**	**33.0**	**18.7%**
Non controlling interests	0.2	0.0	0.0%
Consolidated Net Result	**28.0**	**33.0**	**17.9%**
Margin	*6.7%*	*9.5%*	
Earnings per share (Euros per share)	**0.02**	**0.02**	

II. Performance in the period

Revenue at Prosegur CASH in the period from January to March of 2021 amounted to EUR 345.5 million, down 16.8% on the EUR 415.3 million in the same period of the previous year. Organic growth and inorganic growth have had a negative impact of 2.3% and a positive impact of 1.5%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 16.0%.

Likewise, EBITA in the reporting period amounted to EUR 54.5 million, implying a 15.8% ratio in relation to revenue.

The increase in EBITA compared to the same period of the previous year is explained by the net effect of the following impacts:

- Negative impact due to lower volumes as a result of the lockdowns established by the health authorities to combat the spread of COVID-19. Prevention measures in non-essential activities and a higher unemployment rate have forced the temporary closure of businesses and a contraction of the economy has impacted private consumption, which is the main segment of the CASH business.

- There has also been a depreciation of currencies, which has a negative translational impact on the CASH Group's profit/(loss).

- However, the negative impacts have been partially offset by the effort being made in containing operating and structural costs by the CASH Group and the extraordinary income of EUR 20.3 million, resulting from the sale to the Prosegur Group 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 their associated technology.

Consolidated net profit was EUR 33.0 million, compared to EUR 28.0 million in 2020.

Interim financial statements (January – March 2021)

1. Performance of the business

Details of the business performance of the main consolidated income statement items for the period January-March 2021 and their comparison for the period January-March 2020 is detailed below:

a) Revenue

Revenue at Prosegur Cash in the period January -March 2021 amounted to EUR 345.5 million, down 16.8% on the EUR 415.3 million in the same period of the previous year. Organic growth and inorganic growth have had a negative impact of 2.3% and a positive impact of 1.5%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 16.0%.

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

Million Euros

Revenue	Europe			AOA			LatAm			Prosegur Cash Total		
	2020	2021	% Var.	2020	2021	% Var.	2020	2021	% Var.	2020	2021	% Var.
Cash in transit	60.3	47.9	-20.6%	16.7	15.8	-5.0%	164.9	122.5	-25.7%	241.9	186.2	-23.0%
% of total	*51.0%*	*48.3%*		*65.3%*	*58.8%*		*60.7%*	*55.8%*		*58.3%*	*53.9%*	
Cash management	33.1	24.3	-26.5%	7.5	6.4	-13.6%	57.1	52.3	-8.4%	97.6	83.1	-14.9%
% of total	*28.0%*	*24.5%*		*29.2%*	*23.9%*		*21.0%*	*23.9%*		*23.5%*	*24.0%*	
New products	24.8	27.0	8.7%	1.4	4.7	230.7%	49.5	44.6	-9.9%	75.7	76.2	0.6%
% of total	*21.0%*	*27.2%*		*5.5%*	*17.3%*		*18.2%*	*20.3%*		*18.2%*	*22.1%*	
Total revenue	118.2	99.1	-16.1%	25.6	27.0	5.5%	271.5	219.4	-19.2%	415.3	345.5	-16.8%

The worsening of the COVID-19 pandemic has resulted in the adoption of greater health restrictions. Prevention measures in non-essential activities and a higher unemployment rate have forced the temporary closure of businesses and a contraction of the economy, resulting in lower volumes and amounts transported in the CASH business. There has also been a depreciation of currencies. All this explains a general drop in the Transport and Cash in Transit Management Services.

Moreover, note the sound performance by New Products, which in terms of the percentage of the total revenue by region performed strongly in all geographical areas thanks to a combination of organic growth and selective acquisitions.

The table below shows revenue 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						
	1Q 2020	**1Q 2021**	**% Var.**	**Organic**	**Inorganic**	**Exchange Rate**
Europe	118.2	99.1	-16.1%	-16.5%	0.4%	0.0%
LatAm	271.5	219.4	-19.2%	4.7%	1.0%	-24.8%
AOA	25.6	27.0	5.5%	-10.2%	12.4%	3.2%
Total revenue	**415.3**	**345.5**	**-16.8%**	**-2.3%**	**1.5%**	**-16.0%**

b) Operating profit (loss)

EBITA for the first quarter of 2021 amounted to EUR 54.5 million, an increase of 3.5% on the same period in 2020 when the figure was EUR 52.6 million.

The EBITA margin over revenue in January-March 2021 was 15.8%, compared to 12.7% of the previous year.

This increase in EBITA both in absolute and relative terms, compared to the same period of the previous year, is mainly due to the extraordinary income resulting from the sale to the Prosegur Group in March 2021 of certain areas of the added value outsourcing processes and services business (AVOS) and the cost containment plans implemented, and whose positive impact has been greater than the negative impact of the lower activity volumes resulting from the lockdowns and depreciation of currencies in LatAm.

c) Financial results

From January to March 2021, Prosegur CASH obtained a negative financial result of EUR 2.3 million compared to a negative result of EUR 1.5 million for the same period in 2020; the variation represents a negative impact of EUR 0.7 million in the income statements compared with the previous year. The main changes in the financial profit/(loss) were as follows:

- The financial expenses for payment of interest from January to March 2021 were EUR 7.4 million, compared to EUR 13.7 million for the same period in 2020, representing a decrease of EUR 6.3 million.

- Positive exchange rate differences in the period from January to March 2021 amounted to EUR 0.6 million, compared to the positive exchange rate differences of EUR 12.8 million in the same period in 2020, which means a decrease in earnings of EUR 12.2 million.

- The net financial income from the net monetary position amounted to EUR 4.5 million in January-March 2021 compared with EUR 0.7 million during the same period in 2020, which represents a positive impact of EUR 5.2 million.

d) Net profit/(loss)

The net profit/(loss) for January to March 2021 totalled EUR 33.0 million, compared to EUR 27.8 million during the same period in 2020.

The effective tax rate was 29.9% in the first quarter of 2021, compared with 39.8% in the first quarter of 2020.

2. Significant events and transactions

Significant events

Purchase of AVOS Group from the parent company of the Prosegur Group

On 31 March 2021, Prosegur CASH sold to its parent company, Prosegur Compañía de Seguridad, certain areas of the added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, as well as the associated technology.

The transaction is in response to the strategic decision, independently taken by Prosegur CASH to better achieve its business goals, to crystallise the current value of the business sold, freeing up resources and investment capacity to focus on other priority growth opportunities.

The transaction consisted of the sale of Prosegur CASH to Prosegur of 100% of the share capital of the holding company of the aforementioned business in Spain, Prosegur AVOS España, S.L.U., for a price of EUR sixty-seven million less the net financial debt. This business represents, approximately, 85% of the operating profit/(loss) of the global business of Prosegur CASH in certain areas of activity, with the parties having agreed to jointly and in good faith the possibility of Prosegur CASH selling to Prosegur the rest of that business that it currently carries out in other countries, without there being any agreement on this.

The transaction has been reviewed by the Prosegur Cash Audit Committee which has confirmed that it is fair and reasonable from the Company's point of view and from the various Prosegur shareholders. For its part, KPMG has issued a fairness opinion for the Board of Directors of Prosegur Cash confirming that the aforementioned revenue price is reasonable in financial terms for Prosegur Cash.

In light of the above, to adapt the Framework Agreement on relations between Prosegur and Prosegur Cash of 17 February 2017 to the new reality in terms of the development of the aforementioned added value outsourcing processes and services business (AVOS) for financial institutions and insurance companies, the parties have signed a non-extinguishing modifying novation contract of the Framework Agreement.

3. Consolidated financial information

The consolidated financial information was prepared in accordance with International Financial Reporting Standards (IFRS-EU) applicable at 31 March 2021. Such accounting standards have been applied both to financial years 2021 and 2020.

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 March 2021 and December 2020 before being included in the consolidated financial statements.

The main variations in the consolidated balance sheet at 31 March 2021 compared to the close of financial year 2020 are summarised as follows:

Million Euros

CONSOLIDATED BALANCE SHEET	31/12/2020	31/03/2021
Non current assets	**1,035.0**	**987.5**
Property, plant and equipment	322.0	320.8
Goodwill	393.0	372.2
Other intangible assets	189.9	168.1
Rights of use	72.6	65.6
Investments accounted for using the equity method	5.7	6.4
Non current financial assets	6.3	6.6
Other non current assets	45.5	47.7
Current assets	**785.5**	**723.0**
Inventories	9.8	10.7
Trade and other receivables	330.4	314.2
Accounts receivables with Prosegur Group	43.6	32.3
Cash and cash equivalents	401.8	365.9
ASSETS	**1,820.5**	**1,710.5**
Equity	**80.2**	**107.6**
Share capital	30.9	30.9
Retained earnings and other reserves	49.3	76.7
Non-Current Liabilities	**1,046.8**	**967.0**
Financial liabilities and other financial liabilities	826.5	752.7
Other non-current liabilities	162.5	160.2
Long term lease liabilities	57.8	54.0
Current Liabilities	**693.5**	**635.9**
Short term financial liabilities and other financial liabilities	186.6	188.4
Short term lease liabilities	22.6	23.0
Trade and other payables	396.0	346.6
Accounts payable with Prosegur Group	79.5	71.8
Other current liabilites	8.8	6.2
EQUITY AND LIABILITIES	**1,820.5**	**1,710.5**

a) Property, Plant and Equipment

Investment in PPE during the period from January to March 2021 amounted to EUR 14.9 million, destined mainly to investment in armouring 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 with operating leases in March 2021 amounted to EUR 65.6 million. EUR 54.0 million and EUR 23.0 million, respectively, were recorded under non-current and current lease liabilities.

c) Goodwill

During the first three months of 2021 no impairment losses in goodwill were recorded.

d) Investments in associates

The change in investments in associates relates mainly to the profit/(loss) at equity-accounted investees.

e) Net equity

The changes in net equity in the first three months of 2021 arose mainly under net profit in the period and the reserve for cumulative translation differences.

f) 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 31 March 2021 was EUR 520.7 million, having decreased by EUR 17.6 million from the amount at 31 December 2020 (EUR 538.3 million). This figure does not include lease liabilities.

At 31 March 2021, the annualised financial position/EBITDA ratio has reached 1.91 and the financial position/shareholder equity ratio has reached 4.84.

At 31 March 2021, 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.

- Prosegur CASH, through its subsidiary Prosegur Australia Investments PTY Limited, contracted a syndicated credit financing facility as of April 2017, amounting to AUD 70 million with varying maturities from 2021 through 2023.

- Since February 2017, Prosegur CASH has had a syndicated financing operation for a credit facility amounting to EUR 300 million maturing in 2026. The drawn-down amount at 31 March 2021 was EUR 85 million.

g) 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 the CASH business generated in the period from January to March 2021 was as follows:

Million Euros	
CONSOLIDATED CASH FLOW	**31/03/2021**
EBITDA	76.1
Adjustments to profit or loss	11.0
Income tax	(12.3)
Change in working capital	(20.3)
Interest payments	(9.5)
OPERATING CASH FLOW	**45.0**
Acquisition of Property, plant and equipment	(14.9)
Payments acquisition of subsidiaries	18.6
Dividend payments	(14.8)
Other flows for investment / financing activities	(15.2)
CASH FLOW FROM INVESTMENT / FINANCING	**(26.3)**
TOTAL NET CASH FLOW	**18.7**
INITIAL NET DEBT (31/12/2020)	**(538.3)**
Net (Decrease) / Increase in treasury	18.7
Exchange rate effect	(1.1)
NET DEBT AT THE END OF THE PERIOD (31/03/2021)	**(520.7)**

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	A financial measure showing the Group's operational liquidity. Working capital is calculated as current assets less current liabilities, plus deferred tax assets less deferred tax liabilities, less non-current provisions.	Positive working capital is needed to ensure that a company is able to continue operating and has sufficient funds with which to meet its current debt obligations and imminent operating expenses. The management of working capital requires the Group to control inventories, accounts receivable and payable and cash.
EBIT Margin	EBIT Margin is calculated as results from operating activities divided by total revenue.	EBIT margin provides a view of the company's operating results in comparison with the total revenue.
Organic Growth	Organic Growth is calculated as the increase or decrease in revenue between two periods adjusted for acquisition and divestitures and changes in exchange rate.	Organic Growth provides a view of the company's organic revenue growth.
Inorganic Growth	Company calculates Inorganic growth for a given period as the aggregation of all the revenues from all the acquired entities during the last 12 months.	Inorganic Growth provides a view of the company's increase or decrease of revenue due to M&A or Sales variations.
Effect of exchange rate fluctuations	The Group calculates the Effect of exchange rate fluctuations as the different of Revenues for the current year less revenues for the current year at exchange rates of previous year.	The Effect of exchange rate fluctuations provides the impact of the currencies in the company's revenues.
Cash Flow Conversion	The Group calculates Cash Flow Conversion Rate as the ratio between EBITDA minus capital expenditures over EBITDA.	Cash Flow Conversion provides the capacity of cash generation of the company.
Net Financial Debt	The Group calculates Net Financial Debt as the sum of current and non-current financial liabilities (including other non-bank payables corresponding to deferred payments for M&A acquisitions and financial liabilities with Group companies) less cash and cash equivalents, less current investments in group companies, less other current financial assets.	Net Financial Debt provides the absolute figure of the Groups level of debt.
EBITA	EBITA is calculated on the Group's Consolidated profit for the year without factoring in loss from discontinued operation net of tax, income tax expenses, net finance income or cost and amortisation of goodwill or of intangible assets, but including amortisation of software.	EBITA provides a view of the company's earnings before interest, taxes and amortisation of goodwill or of intangible assets.
EBITDA	EBITDA is calculated on the Group's Consolidated profit without factoring in loss from discontinued operations net of tax, income tax expenses, net finance income or cost and any depreciation or amortisation of goodwill.	EBITDA provides an accurate view of what a company is earning or losing from its business. EBITDA excludes non-cash variables, which can vary significantly from one company to another, depending on the accounting policies applied. Depreciation and amortisation are non-monetary variables and are therefore of limited interest to investors.

Working Capital (Million Euros)	**31.03.2021**	**31.12.2020**
Inventories	10.7	9.8
Trade and other receivables	255.8	275.3
Current receivables with Prosegur group companies	32.3	43.6
Current tax assets	56.5	54.0
Current financial assets	1.8	1.2
Cash and cash equivalents	365.9	401.8
Deferred tax assets	47.7	45.5
Trade and other payables	(272.0)	(326.9)
Current tax liabilities	(72.4)	(66.8)
Financial liabilities	(188.4)	(186.6)
Current payables with Prosegur group companies	(71.8)	(79.5)
Other current liabilities	(6.2)	(8.8)
Deferred tax liabilities	(47.9)	(48.1)
Provisions	(114.6)	(116.7)
Total Working Capital	**(2.6)**	**(2.3)**

Adjusted EBIT Margin (Million Euros)	**31.03.2021**	**31.03.2020**
EBIT	49.3	47.7
Revenues	345.5	415.3
Adjusted EBIT Margin	**14.3%**	**11.5%**

Organic Growth (Million Euros)	**31.03.2021**	**31.03.2020**
Revenues for current year	345.5	415.3
Less: Revenues for the previous year	415.3	432.1
Less: Inorganic Growth	6.4	7.1
Effect of exchange rate fluctuations	(66.7)	(55.6)
Total Organic Growth	**(9.5)**	**31.6**

Inorganic Growth (Million Euros)	**31.03.2021**	**31.03.2020**
Europe	0.4	(8.3)
AOA	3.2	0.7
Ibero-America	2.7	14.8
Total Inorganic Growth	**6.4**	**7.1**

Effect of exchange rate fluctuations (Million Euros)	**31.03.2021**	**31.03.2020**
Revenues for current year	345.5	415.3
Less: Revenues for the current year at exchange rate of previous year	412.2	470.9
Effect of exchange rate fluctuations	**(66.7)**	**(55.6)**

Cash Flow Conversion Rate (Million Euros)	**31.03.2021**	**31.03.2020**
EBITDA	76.1	75.7
CAPEX	14.9	15.9
Cash Flow Conversion Rate (adjusted EBITDA - CAPEX / adjusted EBITDA)	**80%**	**79%**

Net Financial Debt (Million Euros)	**31.03.2021**	**31.12.2020**
Financial liabilities	941.1	1,013.1
Leasing financial debt	76.2	79.5
Adjusted financial liabilities **(A)**	1,017.3	1,092.6
Not financial liabilities with group companies **(B)**	-	-
Cash and cash equivalents	(365.9)	(401.8)
Less: adjusted cash and cash equivalents **(C)**	(365.9)	(401.8)
Less: Own Shares **(D)**	(22.8)	(18.7)
Total Net Financial Debt (A+B+C+D)	**628.6**	**672.1**
Less: other non-bank payables **(E)**	(53.7)	(72.2)
Own Shares **(F)**	22.8	18.7
Less: Leasing financial debt **(G)**	(77.0)	(80.4)
Total Net Financial Debt (excluding other non-bank payables corresponding to deferred payments for M&A acquisitions) **(A+B+C+D+E+F+G)**	**520.7**	**538.3**

EBITA (Million Euros)	**31.03.2021**	**31.03.2020**
Consolidated profit for the year	33.0	27.8
Non controlling interests	-	(0.2)
Income tax expenses	14.1	18.4
Net finance income / (costs)	2.3	1.5
Amortizations	5.2	5.0
EBITA	**54.5**	**52.6**

EBITDA (Million Euros)	**31.03.2021**	**31.03.2020**
Consolidated profit for the year	33.0	27.8
Loss from discontinued operations, net of tax	-	(0.2)
Income tax expenses	14.0	18.4
Net finance income / (costs)	2.2	1.5
Depreciation and amortization	26.8	28.0
EBITDA	**76.1**	**75.7**