



PROSEGUR
CASH

Prosegur CASH and subsidiaries

Interim quarterly financial information

Interim financial statements for the first 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 March 2022 and for January to March 2021

CONSOLIDATED RESULTS	1Q 2020	1Q 2021	% Var.
Revenue	345.5	410.6	18.8%
EBITDA	76.1	79.3	4.2%
<i>Margin</i>	22.0%	19.3%	
Depreciation Property, plant and Equipment	(21.6)	(24.6)	13.6%
EBITA	54.5	54.7	0.5%
<i>Margin</i>	15.8%	13.3%	
<i>Amortization Intangible assets</i>	(5.2)	(5.4)	4.8%
EBIT	49.3	49.3	0.0%
<i>Margin</i>	14.3%	12.0%	
Net financial income/(expense)	(2.3)	(15.8)	598.6%
EBT	47.1	33.6	-28.7%
<i>Margin</i>	13.6%	8.2%	
Income tax	(14.1)	(15.9)	13.0%
Net Result from continuing operations	33.0	17.6	-46.5%
Net Result	33.0	17.6	-46.5%
Non controlling interests	0.0	0.0	0.0%
Consolidated Net Result	33.0	17.7	-46.4%
<i>Margin</i>	9.5%	4.3%	
Earnings per share (Euros per share)	0.02	0.01	

II. Performance in the period

Prosegur CASH sales in the period from January to September 2022 came to EUR 410.6 million, an increase of 18.8% with respect to the EUR 345.5 million in the same period the previous year. Organic growth and inorganic growth have had a positive impact of 18.3% and 0.9%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 0.3%.

Likewise, EBITA in the reporting period amounted to EUR 54.7 million, implying a 13.3% ratio in relation to sales. The increase in EBITA compared to the same period the previous year amounts to 0.5%. The 2021 EBITA includes the positive impact of extraordinary revenue in an amount of 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) for financial institutions and insurance companies, as well as their associated technology.

Isolating this positive impact of the sale of the AVOS business in 2021, the increase in EBITA from January to March 2022 with respect to the same period the previous year is explained by the following impacts:

- Recovery of volumes transported: The recovery trend of the activity and domestic consumption over the final months of 2021, after lifting health restrictions, strengthened during the first three months of 2022; as a result, the CASH Group recovered business volumes close to pre-pandemic levels.
- Growth of New Products: in addition to the recovery of the traditional business activity, New Products have maintained a sustained growth trend that has reinforced the increase of their weight in the CASH Group sales mix.
- Margin recovery: The increase in margins is primarily a result of the positive impact of the operating leverage generated by the volume recovery and reinforced by the cost containment policies carried out in 2021.

Consolidated net profit was EUR 17.7 million, compared to EUR 33.0 million in 2021.

Interim financial statements (January – March 2022)

1. Performance of the business

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

a) Sales

Prosegur CASH sales in the period from January to March 2022 amounted to EUR 410.6 million, an increase of 18.8% with respect to the EUR 345.5 million in the same period the previous year. Organic growth and inorganic growth have had a positive impact of 18.3% and 0.9%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 0.3%.

The table below shows the breakdown of Prosegur CASH's sales 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	47.9	56.9	18.8%	15.8	18.8	18.3%	122.5	147.1	20.1%	186.2	222.7	19.6%
% of total	48.3%	55.3%		58.8%	62.1%		55.8%	53.0%		53.9%	54.3%	
Cash management	24.3	31.8	31.1%	6.4	6.1	-4.8%	52.3	55.1	5.3%	83.1	93.1	12.1%
% of total	24.5%	30.9%		23.9%	20.3%		23.9%	19.9%		24.0%	22.7%	
New products	27.0	14.2	-47.3%	4.7	5.3	14.3%	44.6	75.2	68.7%	76.2	94.7	24.3%
% of total	27.2%	13.8%		17.3%	17.6%		20.3%	27.1%		22.1%	23.1%	
Total revenue	99.1	103.0	3.9%	27.0	30.2	12.1%	219.4	277.4	26.4%	345.5	410.6	18.8%

The recovery of the activity and domestic consumption strengthened during the first quarter of 2022; as a result, the CASH Group recovered business volumes close to pre-pandemic levels.

In addition, due to the positive performance of local currencies in several regions where the Group operates, currencies have a slightly negative impact during the period from January to March 2022.

Lastly, the positive performance of New Products is worthy of note, which have continued to grow and increase their total percentage of sales thanks to a combination of organic growth and selective acquisitions. The reduction in New Products in Europe is due to 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 its associated technology.

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						
	<u>1Q 2020</u>	<u>1Q 2021</u>	<u>% Var.</u>	Organic	Inorganic	Exchange Rate
Europe	99.1	103.0	3.9%	18.6%	-14.8%	0.0%
LatAm	219.4	277.4	26.5%	18.9%	8.1%	-0.5%
AOA	27.0	30.2	12.1%	11.2%	0.0%	1.0%
Total revenue	345.5	410.6	18.8%	18.3%	0.9%	-0.3%

b) Operating profit (loss)

EBITA for the first quarter of 2022 amounted to EUR 54.7 million, an increase of 0.5% on the same period in 2021 when the figure was EUR 54.5 million.

Likewise, the EBITA margin on sales in the period from January to March 2022 was 13.3%, while the margin corresponding to the same period the previous year was 15.8%.

Isolating the effect of the sale to the Prosegur Group in March 2021 of certain areas of the added-value outsourcing processes and services business (AVOS), an increase of EBITA occurred in absolute and relative terms, caused mainly by the recovery of pre-pandemic business levels, the positive performance of New Products and the effect of the efficiency programmes deployed in 2021.

c) Financial profit/(loss)

From January to March 2022, Prosegur CASH obtained a negative financial profit/(loss) of EUR 15.8 million compared to a negative result of EUR 2.3 million for the same period in 2021, which represents a negative comparative impact of EUR 13.5 million in the income statement compared to the same period 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 2022 were EUR 5.3 million, compared to EUR 7.4 million for the same period in 2021, representing a decrease of EUR 2.1 million.
- Negative currency exchange differences in the period from January to March 2022 amounted to EUR 17.4 million, compared to the positive currency exchange differences of EUR 0.6 million in the same period in 2021, implying a negative comparative impact of EUR 18.0 million.

- The net financial income from the net monetary position amounted to EUR 6.9 million during the period from January to March 2022 compared to EUR 4.5 million during the same period in 2021, representing a positive comparative impact of EUR 2.4 million.

d) Net profit/(loss)

The net profit/(loss) for January to March 2022 totalled EUR 17.7 million, compared to EUR 33.0 million during the same period in 2021.

The effective tax rate was 47.4% in the first three months of 2022, compared to 29.9% in the first three months of 2021.

2. Significant events and transactions

Significant events

Business combinations

During the period from January to March 2022, Prosegur CASH acquired:

- in LatAm, a company that provides cash management services;
- in Europe, several companies that provide securities logistics and cash management services.

3. Consolidated financial information

The consolidated financial information was prepared in accordance with International Financial Reporting Standards (IFRS-EU) applicable at 31 March 2022. Such accounting standards have been applied both to 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 the closing date of March 2022 and December 2021 before being included in the consolidated financial statements.

The main variations in the consolidated balance sheet at 31 March 2022 compared to the close of financial year 2021 are summarised as follows:

Million Euros

CONSOLIDATED BALANCE SHEET	31/12/2021	31/03/2022
Non current assets	1,088.8	1,166.4
Property, plant and equipment	337.9	371.3
Goodwill	389.1	417.7
Other intangible assets	200.6	214.5
Rights of use	78.5	76.4
Investments accounted for using the equity method	6.5	6.7
Non current financial assets	24.1	23.9
Other non current assets	52.0	55.9
Current assets	643.0	702.8
Inventories	14.1	17.0
Trade and other receivables	330.2	384.3
Accounts receivables with Prosegur Group	47.8	63.8
Cash and cash equivalents	250.8	237.7
ASSETS	1,731.8	1,869.2
Equity	76.2	150.1
Share capital	30.5	30.5
Retained earnings and other reserves	45.8	119.6
Non-Current Liabilities	965.7	996.2
Financial liabilities and other financial liabilities	716.4	729.0
Other non-current liabilities	185.4	201.4
Long term lease liabilities	63.9	65.8
Current Liabilities	689.9	722.9
Short term financial liabilities and other financial liabilities	133.5	168.8
Short term lease liabilities	23.5	23.2
Trade and other payables	451.0	435.2
Accounts payable with Prosegur Group	74.1	89.5
Other current liabilities	7.7	6.2
EQUITY AND LIABILITIES	1,731.8	1,869.2

a) Property, Plant and Equipment

Investment in PPE during the period from January to March 2022 amounted to EUR 11.2 million, allocated mainly to investment in armoured vehicles, machinery and other plants.

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 2022 amounted to EUR 76.4 million. EUR 65.8 million and EUR 23.2 million, respectively, were recorded under non-current and current lease liabilities.

c) Goodwill

During the period from January to March 2022 no goodwill impairment losses 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 2022 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.

Financial position at 31 March 2022 has amounted to EUR 568.8 million, having increased by EUR 45.2 million over the amount at 31 December 2021 (EUR 523.6 million). This figure does not include lease liabilities.

At 31 March 2022, the annualised net financial position/EBITDA ratio has reached 1.88 and the net financial position/shareholder equity ratio has reached 3.79.

At 31 March 2022, the liabilities for debts with credit institutions 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 operation as of April 2017, amounting to AUD 70 million with maturities in 2022 and 2023. At 31 March 2022, drawn capital amounts to AUD 60 million (equivalent to: EUR 40.5 million).
- Since February 2017, Prosegur CASH has had a syndicated credit financing operation for a syndicated credit financing facility amounting to EUR 300 million maturing in 2026. At 31 March 2022, the drawn capital amounts to EUR 25.0 million.
- In June 2021 Prosegur CASH arranged a financing transaction in the amount of PEN 300 million, to mature in 5 years. At 31 March 2022, drawn capital amounted to PEN 255 million (equivalent to EUR 62.1 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 2022 was as follows:

Million Euros	
CONSOLIDATED CASH FLOW	31/03/2022
EBITDA	79.3
Adjustments to profit or loss	(2.6)
Income tax	(20.2)
Change in working capital	(28.3)
Interest payments	(9.0)
OPERATING CASH FLOW	19.2
Acquisition of Property, plant and equipment	(11.2)
Payments acquisition of subsidiaries	(5.7)
Dividend payments	(7.4)
Other flows for investment / financing activities	(46.5)
CASH FLOW FROM INVESTMENT / FINANCING	(70.7)
TOTAL NET CASH FLOW	(51.5)
INITIAL NET DEBT (31/12/2021)	(523.6)
Net (Decrease) / Increase in treasury	(51.5)
Exchange rate effect	6.3
NET DEBT AT THE END OF THE PERIOD (31/03/2022)	(568.8)

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 enhance the comparability, reliability and understanding of its financial reporting. The Group presents its profit/loss in accordance with International Financial Reporting 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 Group'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 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 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 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)	31.03.2022	31.12.2021
Inventories	17.0	14.1
Clients and other receivables	325.2	280.2
Receivables with Prosegur Group	63.8	47.8
Current tax assets	56.8	48.7
Current financial assets	2.3	1.3
Cash and cash equivalents	237.7	250.8
Deferred tax assets	55.9	52.0
Suppliers and other payables	(324.4)	(363.2)
Current tax liabilities	(110.6)	(87.2)
Non-current financial liabilities	(168.8)	(133.5)
Payables with Prosegur Group	(89.5)	(74.1)
Other current liabilities	(6.2)	(7.7)
Deferred tax liabilities	(50.2)	(59.0)
Provisions	(151.4)	(127.0)
Total Working Capital	(142.4)	(156.7)

EBIT margin (in millions of euros)	31.03.2022	31.03.2021
EBIT	49.3	49.3
Revenue	410.6	345.5
EBIT margin	12.0%	14.3%

Organic Growth (in millions of Euros)	31.03.2022	31.03.2021
Revenue current year	410.6	345.5
Less: revenue previous year	345.5	415.3
Less: Inorganic Growth	3.1	6.4
Exchange rate effect	(1.0)	(66.7)
Total Organic Growth	63.0	(9.5)

Inorganic Growth (in millions of Euros)	31.03.2022	31.03.2021
Europe	(14.7)	0.4
AOA	-	3.2
LatAm	17.8	2.7
Total Inorganic Growth	3.1	6.4

Exchange Rate Effect (in millions of euros)	31.03.2022	31.03.2021
Revenue current year	410.6	345.5
Less: Revenue from the year underway at the exchange rate of the previous year	411.6	412.2
Exchange rate effect	(1.0)	(66.7)

Cash Flow Translation Rate (in millions of Euros)	31.03.2022	31.03.2021
EBITDA	79.3	76.1
CAPEX	11.2	14.9
Translation Rate (EBITDA - CAPEX / EBITDA)	86%	80%

Net financial debt (In millions of Euros)	31.03.2022	31.12.2021
Financial liabilities	897.9	849.9
Plus: Financial debt from lease payments and others	79.3	84.2
Adjusted financial liabilities (A)	977.2	934.1
Non-bank borrowings with Group (B)	-	-
Cash and cash equivalents	(237.7)	(250.8)
Less: adjusted cash and cash equivalents (C)	(237.7)	(250.8)
Less: Own shares (D)	(15.2)	(11.4)
Total Net Financial Debt (A+B+C+D)	724.3	671.9
Less: other non-bank borrowings (E)	(81.8)	(72.3)
Plus: Own shares (F)	15.2	11.4
Less: Financial debt from lease payments (G)	(88.9)	(87.4)
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)	568.8	523.6

EBITA (In millions of euros)	31.03.2022	31.03.2021
Consolidated profit/(loss) for the year	17.7	33.0
Income taxes	15.9	14.1
Net financial expenses	15.8	2.3
Depreciation and amortisation	5.4	5.2
EBITA	54.7	54.5

EBITDA (In millions of euros)	31.03.2022	31.03.2021
Consolidated profit/(loss) for the year	17.7	33.0
Income taxes	15.9	14.0
Net financial expenses	15.8	2.2
Depreciation and amortisation	30.0	26.8
EBITDA	79.3	76.1