PROSEGUR
CASH

Prosegur CASH and subsidiaries

Interim quarterly financial information

Interim financial statements for the third 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 September 2021 and for January to September 2020

CONSOLIDATED RESULTS	9M 2020	9M 2021	% Var.
Revenue	**1,139.7**	**1,082.2**	**-5.0%**
EBITDA	**197.9**	**210.1**	**6.2%**
Margin	*17.4%*	*19.4%*	
Depreciation Property, plant and Equipment	(65.2)	(69.1)	6.0%
EBITA	**132.6**	**141.0**	**6.3%**
Margin	*11.6%*	*13.0%*	
Amortization Intangible assets	(16.1)	(15.2)	-5.6%
EBIT	**116.5**	**125.8**	**8.0%**
Margin	*10.2%*	*11.6%*	
Net financial income/(expense)	(27.8)	(34.3)	23.5%
EBT	**88.7**	**91.4**	**3.1%**
Margin	*7.8%*	*8.4%*	
Income tax	(47.1)	(51.6)	9.5%
Net Result from continuing operations	**41.6**	**39.8**	**-4.2%**
Net Result	**41.6**	**39.8**	**-4.2%**
Non controlling interests	0.3	0.2	0.0%
Consolidated Net Result	**41.8**	**40.0**	**-4.5%**
Margin	*3.7%*	*3.7%*	
Earnings per share (Euros per share)	**0.03**	**0.03**	

II. Performance in the period

Sales at Prosegur CASH in the period from January to September of 2021 amounted to EUR 1,082.2 million, down 5.0% on the EUR 1,139.7 million in the same period of the previous year. Organic growth and inorganic growth have had a positive impact of 4.4% and 0.1%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 9.5%.

Likewise, EBITA in the reporting period amounted to EUR 141.0 million, implying a 13.0% ratio in relation to sales. The increase in EBITA compared to the same period the previous year is explained by the net effect of the following impacts:

- Negative impact by volumes transported: although private consumption progressively increased over the period from January to September 2021 in several regions where the Group operates, thanks to the gradual lifting of restrictions and lockdowns imposed by health authorities to combat Covid-19, thus allowing activity levels to steadily pick up as the year progressed, other regions continue to be impacted by the uneven progress in the vaccination rollout and the application of measures to restrict mobility.

- Negative impact of currencies: currency depreciation has had a negative translational impact on the CASH Group's bottom line.

- Positive impact from cost containment measures and other extraordinary income: the negative impacts have been partially offset by the efforts to contain 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 its associated technology.

Consolidated net profit was EUR 40.0 million, compared to EUR 41.8 million in 2020.

Interim statement (January – September 2021)

1. Performance of the business

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

a) Sales

Sales at Prosegur CASH in the period from January to September 2021 amounted to EUR 1,082.2 million, down 5.0% on the EUR 1,139.7 million in the same period of the previous year. Organic growth and inorganic growth have had a positive impact of 4.4% and 0.1%, respectively. The negative impact of the exchange rate and the result of applying IAS 29 and 21 has been 9.5%.

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	**164.6**	**156.0**	**-5.2%**	**45.1**	**48.0**	**6.4%**	**450.3**	**395.3**	**-12.2%**	**660.0**	**599.3**	**-9.2%**
% of total	*51.1%*	*53.1%*		*63.4%*	*60.0%*		*60.4%*	*55.8%*		*57.9%*	*55.4%*	
Cash management	**86.6**	**85.2**	**-1.6%**	**17.9**	**17.8**	**-0.6%**	**167.9**	**149.0**	**-11.3%**	**272.5**	**252.0**	**-7.5%**
% of total	*26.9%*	*29.0%*		*25.2%*	*22.3%*		*22.5%*	*21.0%*		*23.9%*	*23.3%*	
New products	**71.2**	**52.7**	**-25.9%**	**8.1**	**14.2**	**74.5%**	**127.9**	**164.0**	**28.2%**	**207.2**	**230.9**	**11.4%**
% of total	*22.1%*	*17.9%*		*11.4%*	*17.8%*		*17.1%*	*23.2%*		*18.2%*	*21.3%*	
Total revenue	**322.3**	**293.9**	**-8.8%**	**71.2**	**80.0**	**12.4%**	**746.2**	**708.3**	**-5.1%**	**1,139.7**	**1,082.2**	**-5.0%**

The uneven vaccination rollout among the countries where the CASH Group operates has led to mixed sales performance in the geographical areas. Countries where the rollout is more advanced have partially recovered the volumes and amounts transported, while in countries where the vaccination process is progressing more slowly, restrictions imposed by health authorities to combat Covid-19 continue to stall the recovery of sales.

There has also been a depreciation of currencies, which has a negative translational impact on the CASH Group's sales.

New Products, meanwhile, performed strongly, ramping up their weight over total 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						
	9M 2020	**9M 2021**	**% Var.**	**Organic**	**Inorganic**	**Exchange Rate**
Europe	322.3	293.9	-8.8%	-1.1%	-7.7%	0.0%
LatAm	746.2	708.3	-5.1%	6.6%	3.0%	-14.7%
AOA	71.2	80.0	12.4%	6.1%	4.5%	1.9%
Total revenue	**1,139.7**	**1,082.2**	**-5.0%**	**4.4%**	**0.1%**	**-9.5%**

b) Operating profit/(loss)

EBITA for the period from January to September 2021 amounted to EUR 141.0 million, an increase of 6.3% on the same period in 2020 when the figure was EUR 132.6 million.

The EBITA margin over sales in January-September 2021 was 13.0%, compared to 11.6% in the previous year.

This increase in EBITA, both in absolute terms and relative to the same period of the previous year, was due mainly to the effect of the various efficiency programmes deployed in the past and the extraordinary gains from the divestment of our AVOS business in the first quarter, which offset the devaluation of currencies in Latin America and the lower revenues from activity levels still impacted by mobility restrictions in different geographies.

c) Finance income and expenses

From January to September 2021, Prosegur CASH obtained a negative financial result of EUR 34.3 million compared to a negative result of EUR 27.8 million for the same period in 2020, i.e., a negative impact of EUR 6.5 million in the income statements compared with the previous year. The main changes in the financial result were as follows:

- The finance expenses relating to interest payments from January to September 2021 amounted to EUR 19.9 million, compared to EUR 29.7 million for the same period in 2020, representing a decrease of EUR 9.8 million.

- Currency exchange losses in the period from January to September 2021 amounted to EUR 22.0 million, compared to the currency exchange gains of EUR 2.1 million in the same period in 2020, implying a negative comparative impact of EUR 24.1 million.

- The net finance income from the net monetary position amounted to EUR 7.6 million in January to September 2021 vs. EUR 0.1 million expenses during the same period in 2020, which represents a positive comparative impact of EUR 7.8 million.

d) Net profit

The net profit for January to September 2021 totalled EUR 39.8 million, compared to EUR 41.6 million during the same period in 2020.

The effective tax rate was 56.5% in the first nine months of 2021, compared with 53.1% in the first nine months 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 by 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 of the global business of Prosegur CASH in certain areas of activity, with the parties having agreed to analyse and explore, jointly and in good faith, the possibility of Prosegur CASH selling to Prosegur the rest of that business that it currently conducts in other countries, without there being any formal agreement in this connection.

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 sales 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 30 September 2021. Such accounting standards have been applied to both 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 September 2021 and December 2020 before being included in the consolidated financial statements.

The main variations in the consolidated balance sheet at 30 September 2021 compared to the close of financial year 2020 are summarised as follows:

Million Euros

CONSOLIDATED BALANCE SHEET	31/12/2020	30/09/2021
Non current assets	**1,035.0**	**1,058.6**
Property, plant and equipment	322.0	331.9
Goodwill	393.0	427.3
Intangible assets	189.9	165.7
Rights of use	72.6	71.0
Investments in associates	5.7	5.5
Non current financial assets	6.3	7.7
Other non current assets	45.5	49.4
Current assets	**785.5**	**634.0**
Inventories	9.8	13.3
Trade and other receivables	330.4	339.2
Accounts receivables with Prosegur Group	43.6	47.8
Cash and cash equivalents	401.8	233.7
ASSETS	**1,820.5**	**1,692.6**
Equity	**80.2**	**122.1**
Share capital	30.9	30.5
Retained earnings and other reserves	49.3	91.6
Non-Current Liabilities	**1,046.8**	**953.3**
Debts with credit institutions and other financial liabilities	826.5	734.4
Other non-current liabilities	162.5	159.1
Non-current lease liabilities	57.8	59.8
Current Liabilities	**693.5**	**617.2**
Debts with credit institutions and other financial liabilities	186.6	142.4
Current lease liabilities	22.6	23.3
Trade and other payables	396.0	377.4
Accounts payable with Prosegur Group	79.5	66.3
Other current liabilites	8.8	7.9
EQUITY AND LIABILITIES	**1,820.5**	**1,692.6**

a) Property, plant and equipment

Investment in PPE during the period from January to September 2021 amounted to EUR 42.0 million, mainly due 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 to operating leases in September 2021 amounted to EUR 71.0 million. EUR 59.8 million and EUR 23.3 million, respectively, were recorded under non-current and current lease liabilities.

c) Goodwill

During the period from January to September 2021 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.

e) Net equity

The changes in net equity during the period from January to September 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.

Financial position at 30 September 2021 has amounted to EUR 551.7 million, having increased by EUR 13.4 million over the amount at 31 December 2020 (EUR 538.3 million). This figure does not include lease liabilities.

At 30 September 2021, the annualised net financial position/EBITDA ratio has reached 1.94 and the net financial position/shareholder equity ratio has reached 4.52.

At 30 September 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 financing operation as of April 2017, amounting to AUD 70 million with maturities in 2022 and 2023. At 31 September 2021, the drawn down capital amounted to AUD 60 million (equivalent to EUR 37.3 million).

- Since February 2017, Prosegur CASH has had a syndicated financing operation for a credit facility amounting to EUR 300 million maturing in 2026. No capital had been drawn down as at 30 September 2021.

- During the period from January to September 2021, Prosegur CASH, through its Peruvian subsidiary Prosegur Compañía de Seguridad S.A., arranged a financing operation amounting to PEN 300 million and maturing in 5 years. At 30 September 2021, the drawn down capital amounted to PEN 285 million (equivalent to EUR 59.5 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 generated in the period from January to September 2021 was as follows:

Million Euros	
CONSOLIDATED CASH FLOW	**30/09/2021**
EBITDA	210.1
Adjustments to profit or loss	(5.8)
Income tax	(32.9)
Change in working capital	(27.0)
Interest payments	(11.7)
OPERATING CASH FLOW	**132.7**
Acquisition of Property, plant and equipment	(42.0)
Payments acquisition of subsidiaries	(9.7)
Dividend payments	(44.0)
Other flows for investment / financing activities	(45.9)
CASH FLOW FROM INVESTMENT / FINANCING	**(141.6)**
TOTAL NET CASH FLOW	**(8.9)**
INITIAL NET DEBT (31/12/2020)	**(538.3)**
Net (Decrease) / Increase in treasury	(8.9)
Exchange rate effect	(4.6)
NET DEBT AT THE END OF THE PERIOD (30/09/2021)	**(551.7)**

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	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 w orking capital is necessary to ensure that the Company can continue its operations and has sufficient funds to cover matured short-term debt as w ell as upcoming operating expenses. Working capital management consists of the management of inventories, accounts payable and receivable 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 Grow th	Organic grow th is calculated as an increase or decrease of income betw een tw o periods adjusted by acquisitions and disinvestments and the exchange rate effect.	Organic grow th provides the comparison betw een years of the grow th of the revenue excluding the currency effect.
Inorganic Grow th	The Company calculates inorganic grow th for a period as the sum of the revenue of the companies acquired. The income from these companies is considered inorganic for 12 months follow ing their acquisition date.	Inorganic grow th provides the grow th of the company by means of new acquisitions or disinvestments.
Exchange rate effect	The Company calculates the exchange rate effect as the difference betw een 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 betw een 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 w ith 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	EBITA is calculated on the basis of the consolidated profit/(loss) for the period w ithout including the profit/(loss) after taxes from discontinued operations, taxes on earnings, financial income or costs, or depreciations of Goodw ill or the amortisation of intangible assets, but including the depreciation of computer softw are.	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 goodw ill.	The purpose of the EBITDA is to obtain a fair view of w hat 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 (Million Euros)	**30.09.2021**	**31.12.2020**
Inventories	13.3	9.8
Trade and other receivables	290.1	275.3
Current receivables with Prosegur group companies	47.8	43.6
Current tax assets	47.1	54.0
Current financial assets	2.1	1.2
Cash and cash equivalents	233.7	401.8
Deferred tax assets	49.4	45.5
Trade and other payables	(300.6)	(326.9)
Current tax liabilities	(75.8)	(66.8)
Current financial liabilities	(142.4)	(186.6)
Current payables with Prosegur group companies	(66.3)	(79.5)
Other current liabilities	(7.9)	(8.8)
Deferred tax liabilities	(49.7)	(48.1)
Provisions	(110.5)	(116.7)
Total Working Capital	**(69.7)**	**(2.3)**

EBIT Margin (Million Euros)	**30.09.2021**	**30.09.2020**
EBIT	125.8	116.5
Revenue	1,082.2	1,139.7
EBIT Margin	**11.6%**	**10.2%**

Organic Growth (Million Euros)	**30.09.2021**	**30.09.2020**
Revenue current year	1,082.2	1,139.7
Less: Revenue previous year	1,139.7	1,337.1
Less: Inorganic Growth	0.9	15.7
Exchange rate effect	(108.1)	(214.5)
Total Organic Growth	**49.7**	**1.3**

Inorganic Growth (Million Euros)	**30.09.2021**	**30.09.2020**
Europe	(24.9)	(18.5)
AOA	3.2	4.9
LatAm	22.6	29.3
Total Inorganic Growth	**0.9**	**15.7**

Exchange rate effect (Million Euros)	**30.09.2021**	**30.09.2020**
Revenue current year	1,082.2	1,139.7
Less: Revenue from the year underway at the exchange rate of the previous year	1,190.3	1,354.2
Exchange rate effect	**(108.1)**	**(214.5)**

Cash Flow Translation Rate (Million Euros)	**30.09.2021**	**30.09.2020**
EBITDA	210.1	197.9
CAPEX	42.0	45.7
Cash Flow Translation Rate (EBITDA - CAPEX / EBITDA)	**80%**	**77%**

Net Financial Debt (Million Euros)	**30.09.2021**	**31.12.2020**
Financial liabilities	876.7	1,013.1
Plus: Finance lease liabilities and others	80.2	79.5
Adjusted financial liabilities **(A)**	956.9	1,092.6
Not financial liabilities with Group **(B)**	-	-
Cash and cash equivalents	(233.7)	(401.8)
Less: adjusted cash and cash equivalents **(C)**	(233.7)	(401.8)
Less: Own Shares **(D)**	(12.2)	(18.7)
Total Net Financial Debt (A+B+C+D)	**711.1**	**672.1**
Less: other non-bank borrowings **(E)**	(88.4)	(72.2)
Plus: Own shares **(F)**	12.2	18.7
Less: Financial debt from lease payments **(G)**	(83.1)	(80.4)
Total Net Financial Debt (excluding other non-bank borrowings referring to deferred M&A and financial debt from lease payments) **(A+B+C+D+E+F+G)**	**551.7**	**538.2**

EBITA (Million Euros)	**30.09.2021**	**30.09.2020**
Consolidated profit/(loss) for the year	40.0	41.8
Non controlling interests	(0.2)	(0.3)
Income taxes	51.6	47.1
Net financial income/(expense)	34.3	27.8
Amortisation	15.2	16.1
EBITA	**141.0**	**132.6**

EBITDA (Million Euros)	**30.09.2021**	**30.09.2020**
Consolidated profit/(loss) for the year	40.0	41.8
Non controlling interests	(0.2)	(0.3)
Income taxes	51.6	47.1
Net financial income/(expense)	34.3	27.8
Depreciation, amortisation and impairment	84.3	81.3
EBITDA	**210.1**	**197.9**