



# Half-year Financial Report

2022



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# HALF-YEAR MANAGEMENT REPORT

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## I. FIRST-HALF 2022 RESULTS

### 1.1 INTRODUCTION

#### Edenred reports record first-half results, driven by the enhanced attractiveness of its digital solutions and by its innovation policy

#### Accelerated growth in the second quarter on the back of the very good performance for the first quarter, leading to record results

- **Total revenue of €922 million** in first-half 2022, up 21.7% as reported (+18.1% like-for-like) versus first-half 2021
  - o **Operating revenue of €891 million**, up 20.9% as reported (+17.3% like-for-like)
  - o **In the second quarter**, operating revenue rose by 24.5% as reported (+19.2% like-for-like)
  - o **Other revenue of €31 million**, up €10 million on first-half 2021, driven by business volume growth and higher interest rates outside the euro zone
- **EBITDA of €365 million**, up 23.6% as reported (+22.0% like-for-like)
  - o **EBITDA margin of 39.6%**, up 1.3 percentage points like-for-like
- **Net profit, Group share of €170 million**, up 27.5%
- Strong increase in cash flow generation, **with funds from operations before other income and expenses (FFO) of €299 million**, up 17.5%
- **Net debt: €1.06 billion**, significantly lower than the end-June 2021 figure of €1.45 billion

#### Edenred confirmed its capacity to leverage the scale effect deriving from the power, technology and agility of its digital platform

- **Continued deployment of the Beyond Food strategy in Employee Benefits**, with, in particular, the rapid expansion of the multi-benefit offering in France (including Kadéos, ProwebCE and Ticket Mobilité) integrated into the MyEdenred mobile app.
- **Ongoing success of the Beyond Fuel offering**, notably driven by fully digital maintenance management solutions, giving fleet managers access to a wide portfolio of services.
- **Product and technology innovation for an enriched omnichannel user experience**, with, for example, the launch of UTA EasyFuel® for mobile pay-at-the-pump transactions.
- **Sustained momentum for new contract wins in largely underpenetrated markets**, such as the SME markets in France and Germany, **propelled by the deployment of carefully tailored sales channels**, as notably demonstrated by the success of the online sales platforms now available in 14 countries.
- **An ambitious ESG policy**, with non-financial indicators in line with the 2022-2030 targets.
- **Solutions contributing to a better world**, as illustrated by the new global Move for Good program designed to accompany fleet and mobility clients on their green transition.

#### Edenred is better poised than ever to generate sustainable and profitable growth in a new macro-economic context

- Drawing on its strong sales momentum and a platform that is ever-more attractive thanks to technology investments, Edenred is ready to capture opportunities from structural trends, such as more widespread digitalization and radical changes in the working world.
- Edenred should also benefit from a favorable macro-economic context, with rising inflation making its solutions even more attractive and driving additional revenue for the Group, notably due to higher interest rates.

- In view of these factors, the Group is targeting record-high EBITDA of between €770 million and €820 million for full-year 2022<sup>1</sup>, versus €670 million in 2021.

**Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred**, said: “Thanks to very tangible growth momentum in the second quarter, Edenred delivered a record performance in the first half of 2022, with a strong increase in earnings. Operating revenue grew by double digits across all of the Group’s business lines and regions, and EBITDA came in at an all-time high for a first half. These results show how Edenred is leveraging the unique benefits of its digital platform to continue its market penetration in a new macro-economic environment. The solutions the Group offers are attracting more and more clients who view them as an opportunity to increase their employees’ purchasing power, encourage more responsible behaviors or tighten their cost control. Edenred is now better poised than ever to pursue its sustainable and profitable growth trajectory in the second half of the year and beyond. The Group is continuing to step up its technology investments, which have made it the leading innovator in its markets. In light of these achievements, we are confident in our prospects for the second half of 2022 and are targeting record-high EBITDA of between €770 million and €820 million for the full year.”

Turkey is now qualified as a hyperinflationary economy. The Group has therefore applied IAS 29 – Financial Reporting in Hyperinflationary Economies to its operations in this country since January 1, 2022.

## FIRST-HALF 2022 RESULTS

At its meeting on July 25, 2022, the Board of Directors reviewed the Group’s interim consolidated financial statements for the six months ended June 30, 2022.

First-half 2022 key financial metrics:

(in € millions)	First-half 2022	First-half 2021	% change (reported)	% change (like-for-like)
Operating revenue	891	736	+20.9%	+17.3%
Other revenue (A)	31	21	+49.1%	+46.5%
<b>Total revenue</b>	<b>922</b>	<b>757</b>	<b>+21.7%</b>	<b>+18.1%</b>
<b>EBITDA</b>	<b>365</b>	<b>295</b>	<b>+23.6%</b>	<b>+22.0%</b>
Operating EBIT (B)	264	211	+25.2%	+24.3%
<b>EBIT (A + B)</b>	<b>295</b>	<b>232</b>	<b>+27.3%</b>	<b>+26.3%</b>
<b>Net profit, Group share</b>	<b>170</b>	<b>133</b>	<b>+27.5%</b>	

<sup>1</sup> Calculated based on an assumption of an average euro/ Brazilian real exchange rate for the second half of 2022 equal to the closing spot rate on June 30, 2022.

## 1.2 ANALYSYS OF CONSOLIDATED FINANCIAL RESULTS

### ► Total revenue: €922 million

Total revenue for first-half 2022 amounted to €922 million, up 21.7% as reported compared with first-half 2021. This year-on-year increase includes a favorable 4.0% currency effect and a slightly negative 0.4% scope effect. On a like-for-like basis, total revenue was up 18.1%. In the second quarter, total revenue rose by 25.7% as reported and by 20.4% like-for-like, with growth accelerating versus the first quarter of the year, when total revenue increased by 17.6% as reported and by 15.7% like-for-like.

### ► Operating revenue: €891 million

Operating revenue for the first six months of 2022 came to €891 million, up 20.9% as reported. The currency effect was a favorable 4.1% and the scope effect was a slightly negative 0.5%. On a like-for-like basis, the increase in operating revenue was 17.3% year on year. Second-quarter operating revenue totaled €465 million, up 24.5% as reported and 19.2% like-for-like.

This solid performance came on the back of an excellent start to the year and strong growth in operating revenue during the first quarter. It clearly shows the Group's ability to keep up a sustained pace of growth, with double-digit growth figures recorded across all of its business lines and regions. By fully leveraging its digital platform, the Group has continued to penetrate its markets by capitalizing on its stand-out technology assets and sales expertise. For example, thanks to the online sales platforms it has developed in 14 countries, the Group saw a more-than 50% increase in the number of new contracts it won with SMEs in the first half of 2022 versus the first six months of 2021.

Edenred's first-half 2022 performance was also boosted by a favorable macro-economic environment, notably the current high rates of inflation. This has made the Group's solutions even more attractive, as clients see them as a way of increasing their employees' purchasing power, through the Employee Benefits offering, and tightening control of their fleet management costs, through Fleet & Mobility Solutions.

### ► Operating revenue by business line

(in € millions)	First-half 2022	First-half 2021	% change (reported)	% change (like-for-like)
Employee Benefits	528	448	+17.7%	+15.7%
Fleet & Mobility Solutions	252	190	+32.3%	+24.0%
Complementary Solutions	111	98	+13.6%	+11.4%
<b>Total</b>	<b>891</b>	<b>736</b>	<b>+20.9%</b>	<b>+17.3%</b>

The **Employee Benefits** business line generated €528 million in operating revenue in first-half 2022, representing an increase of 17.7% as reported (+15.7% like-for-like) and accounting for 59% of the consolidated total.

The Group continued to penetrate its markets during the period, fueled by strong sales activity, both with key accounts and in the particularly fast-growing SME segment. Drawing on a broader portfolio of solutions resulting from its Beyond Food strategy, and amid radical changes in the working world, Edenred is fully meeting the needs of its clients, who are seeking to strengthen their employer brand and employee engagement. In France, for example, the Group has a comprehensive range of digital solutions for food, incentives and mobility, with 7 million employees benefiting from them. These solutions provide employers with an effective means to boost each employee's purchasing power by up to €5,000 per year, while adapting to new consumption patterns, which have become more digital and more responsible. This momentum has led to an increase in the benefits granted to employees, particularly in countries where the public authorities have raised the statutory maximum face value of benefits, such as in Romania and Turkey for meal benefits.

In the **Fleet & Mobility Solutions** business line, which accounted for 28% of the Group's business, operating revenue came to €252 million in the first half of the year, up 32.3% as reported over the period (+24.0% like-for-like).

This strong year-on-year growth reflects brisk sales momentum, especially in the vastly underpenetrated SME segment. It also reflects the successful deployment of the Beyond Fuel strategy, notably through the maintenance management solution in Latin America. Thanks to this fully digital offering, with a broad portfolio of services such as dashboards, customized maintenance plans and dedicated mobile apps, Edenred provides a first-class user experience for fleet managers, drivers and repair shops in the network. In light of the success of this offering in Brazil (more than 400,000 vehicles managed and orders up by over 20% in the first half of 2022), Edenred has begun to roll it out to Mexico and Argentina as well.

The **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards and Public Social Programs, generated operating revenue of €111 million in first-half 2022, representing 13% of the Group total. This figure was up 13.6% year on year as reported (+11.4% like-for-like), despite a high basis of comparison for the first quarter due to the specific earmarked funds programs set up during the first quarter of 2021 amid the health crisis.

Growth for this business line reflects the good performance of Corporate Payment Services in North America, operated through CSI, driven by new contracts won through its direct and indirect sales channels, and the continued recovery in sales volumes generated by clients in the media and hospitality segments.

The sharp rise in Complementary Services operating revenue is also the result of Edenred's ability to develop new value-added services for its stakeholders, such as in the United Arab Emirates, where the salary advance offering is meeting the growing needs of the 500,000 users of the C3Pay mobile app.

### Operating revenue by region

(in € millions)	First-half 2022	First-half 2021	% change (reported)	% change (like-for-like)
Europe	551	475	+16.0%	+15.7%
Latin America	270	204	+32.5%	+16.9%

Rest of the World	70	58	+20.5%	+31.3%
<b>Total</b>	<b>891</b>	<b>736</b>	<b>+20.9%</b>	<b>+17.3%</b>

In **Europe**, operating revenue amounted to €551 million in first-half 2022, an increase of 16.0% as reported and of 15.7% like-for-like. In the second quarter, operating revenue was up 18.1% as reported and 18.0% like-for-like. Europe represented 62% of Group operating revenue.

In **France**, operating revenue amounted to €150 million, representing an increase of 11.2% both as reported and like-for-like. In the second quarter, operating revenue growth was 12.2% as reported and like-for-like. This performance was notably led by robust growth for Employee Benefits solutions, fueled by contract wins for the Ticket Restaurant® offering – the market's digital leader with a market share of over 40% – as well as the broader range of solutions integrated into the MyEdenred mobile app. Fleet & Mobility Solutions also drove up operating revenue, propelled by ongoing high demand, notably in the SME segment.

Operating revenue in **Europe excluding France** totaled €401 million in first-half 2022, up 17.8% as reported (+17.5% like-for-like). Second-quarter operating revenue rose by 20.3% as reported (+20.2% like-for-like). This sustained growth is the result of the growing attractiveness of the solutions offered by the Group in its various business lines. In Employee Benefits, Ticket Restaurant® meal benefits once again delivered robust growth, boosted by an increase in face values introduced by clients in the current inflationary context, and the Beyond Food strategy continued to be a success. Performance for the Fleet & Mobility Solutions business line was driven by strong sales momentum in the SME segment.

Operating revenue in **Latin America** amounted to €270 million, up 32.5% as reported in the first half (+16.9% like-for-like), with a 38.0% reported increase in the second quarter (+17.2% like-for-like). The region represented 30% of total consolidated operating revenue in first-half 2022.

In **Brazil**, operating revenue growth came to 17.1% like-for-like in the first six months of the year, including a 17.7% increase in the second quarter. This robust year-on-year growth reflects the strong momentum of the Fleet & Mobility Solutions business, led notably by the success of the Beyond Fuel offering, which was underpinned by a sharp increase in demand for maintenance and toll management solutions. Employee Benefits also contributed to growth in Brazil, spurred by the ongoing success of the partnership with Itaú Unibanco and the rollout of the multi-benefit offering.

In **Hispanic Latin America**, operating revenue rose by 16.4% like-for-like, with a 16.3% increase in the second quarter. The recovery in the Employee Benefits business continued in the region in the second quarter, while in Fleet & Mobility Solutions growth was driven by the gradual rollout of the Beyond Fuel offering with its toll solutions.

In the **Rest of the World**, operating revenue amounted to €70 million, up 20.5% as reported and 31.3% like-for-like over the period. Second-quarter operating revenue rose by 26.9% as reported (+36.7% like-for-like).

This performance was notably driven by the success of digital solutions proposed in countries such as the United Arab Emirates and Taiwan. In North America, CSI's Corporate Payment Services business saw strong sales momentum, notably buoyed by a recovery in volumes for its



historical portfolio, as well as the ramp-up of distribution partnerships entered into with several banks.

### ▶ **Other revenue: €31 million**

For the six months ended June 30, 2022, other revenue came to €31 million, representing an increase of 49.1% as reported and of 46.5% like-for-like. This solid growth notably reflects the continued increase in float, resulting from the high level of business during the first half of the year. Other revenue also benefited from the rise in interest rates compared with first-half 2021, notably in Latin America and in European countries outside the euro zone.

### ▶ **EBITDA: €365 million**

In first-half 2022, EBITDA amounted to €365 million, up 23.6% as reported and 22.0% like-for-like. The EBITDA margin came in at 39.6%, up 0.6 of a percentage point compared with first-half 2021. On a like-for-like basis, the EBITDA margin was 1.3 percentage points higher year on year, demonstrating Edenred's ability to capitalize on its operating leverage while continuing to invest in technology and innovation to help drive the Group's growth.

### ▶ **Financial result**

Net financial expense amounted to €-17 million in first-half 2022 compared with €-9 million in the year earlier period.

Gross borrowing costs for first-half 2022 include amortization of bond issuance costs for €5 million and interest income on Neu CP issued at negative interest rates.

Hedging instruments relate to expenses and income on interest rate swaps as presented in Note 6.6 "Financial instruments and market risk management".

Other financial income and expenses mainly concern bank fees, banking expenses, miscellaneous interest, and financial provisions.

### ▶ **Operating profit before tax**

Profit before tax stands at €270 million versus €220 million at June 30, 2021.

### ▶ **Income tax expense**

Income tax expense stood at €84 million for the period, versus €73 million in first-half 2021. The effective tax rate declined from 33.3% in first-half 2021 to 31.2% in the six months to June 30, 2022. The calculation is available hereafter chapter 2, Note 7 to the consolidated financial statements.

### ▶ **Net profit: €170 million**

Net profit, Group share amounted to €170 million versus €133 million in first-half 2021, a 27.5% increase primarily driven by growth in EBITDA.

Net profit takes into account other income and expenses for a net expense of €9 million (versus a net expense of €7 million in first-half 2021), a net financial expense of €17 million (versus €9 million in 2021)<sup>2</sup>, a net income tax expense of €84 million (versus €73 million in 2021), and €(16) million attributable to non-controlling interests (versus €(14) million in 2021).

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<sup>2</sup> The net financial expense in first-half 2021 included the positive impact of the increase in the fair value of Edenred's investments in the Partech funds.

## 1.3 LIQUIDITY AND FINANCIAL RESOURCES

### 1.3.1 Cash flows

In € millions	June 2022	June 2021
<b>Net profit attributable to owners of the parent</b>	<b>170</b>	<b>133</b>
Non-controlling interests	16	14
Dividends received from equity-accounted companies	10	14
Difference between income tax paid and income tax expense	10	14
Non-cash impact from other income and expenses	4	9
<b>= Funds from operations before other income and expenses (FFO)</b>	<b>299</b>	<b>254</b>
Decrease (Increase) in working capital	(628)	415
Recurring decrease (Increase) in restricted cash	419	(18)
<b>= Net cash from (used in) operating activities</b>	<b>90</b>	<b>(179)</b>
<b>= Net cash from (used in) investing activities</b>	<b>(101)</b>	<b>(77)</b>
<b>= Net cash from (used in) financing activities</b>	<b>(403)</b>	<b>(440)</b>
<b>= Free cash flows (FCF)</b>	<b>(404)</b>	<b>185</b>

Edenred's business model generates significant cash flows, delivering funds from operations before other income and expenses (FFO) of €299 million in first-half 2022, up 17.8% as reported.

### 1.3.2 Working capital requirement

Negative working capital requirement at June 30, 2022 increased by €569 million compared with June 30, 2021. Table with details is available hereafter in chapter 2, note 4.5 of the consolidated financial statements.

### 1.3.3 Net debt

At June 30, 2022, Edenred had net debt of €1.06 billion, versus €1.45 billion at end-June 2021. This sharp year-on-year decrease in net debt notably reflects free cash flow generation of €767 million over the twelve months ended June 30, 2022, €269 million returned to shareholders, and a negative €45 million impact of currency effects and non-recurring items.

For details, see les Notes to consolidated financial statement:

- 6.4 (Debt and other financial liabilities) page 48;
- 6.5 (Net debt and net cash) page 51.

### 1.3.4 Financial situation

Edenred therefore enjoys a robust financial position with a high level of liquidity and a solid balance sheet. In April 2022, Standard & Poor's reaffirmed the Group's BBB+ Strong Investment Grade rating and upgraded its outlook from stable to positive.

### 1.3.5 Equity

Equity represented a negative amount of €806 million at June 30, 2022 and €869 million at December 31, 2021.

This is due to the recognition at historical cost of the assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction. It has no impact on the Group's refinancing capacity, the underlying strength of its financial position or its dividend paying ability. Further information about changes in consolidated equity is presented in the condensed half-year consolidated financial statements hereafter chapter 2, section 1.5.

### 1.3.6 Ongoing commitment to ESG and non-financial performance

In the first half of 2022, Edenred continued to put its commitment to corporate social responsibility (CSR) into practice.

One of the ways it does this is by deploying solutions that encourage more responsible behaviors. For example, in June, the Group launched "Move for Good", a global green and sustainable mobility program for its clients in the transportation and mobility sector, which is based on four pillars: awareness, reduction and avoidance, offsetting, and preservation. Also, in the first half of the year, the Group rolled out its Agri digital solution in Cameroon to support local agriculture – serving 600,000 farmers – and broadened its range of value-added services that support financial inclusion in the United Arab Emirates, including a salary advance system. At the same time, the Group continued to implement its "Ideal" CSR policy through the policy's three main components, "People, Planet and Progress", and is well on the way to achieving its targets for 2030. In April, Edenred's commitment to CSR was recognized once again, when it was assigned a rating of 79 out of 100 by S&P Global Ratings, well above the global average for the other companies assessed. This rating notably highlights how the Group's ESG goals are underpinned by a strong corporate culture and effective strategic planning and decision-making processes.

Edenred will further strengthen its CSR commitments, notably those related to the climate, at the Capital Markets Day to be held in October 2022.

## 1.4 SIGNIFICANTS EVENTS OF 2022 FIRST HALF

### ▶ Edenred strengthens its toll offering in Brazil with the acquisition of Greenpass

On February 22, Edenred announced that it had acquired a 51% controlling interest in Greenpass, an issuer of electronic toll solutions in Brazil. The deal strengthens Edenred's position in this business as well as its technology and sales capabilities in an attractive market offering significant cross-selling potential with its client base. It is fully in line with the Group's Beyond Fuel strategy to develop new non-fuel fleet and mobility services, enhancing its value proposition for fleet managers and expanding its addressable market.

### ▶ UTA Edenred partners with ChargePoint

On April 5, Edenred announced a partnership with ChargePoint, a leading electric vehicle charging network provider in Europe and in the USA. This partnership enables customers of UTA Edenred, a leading mobility service provider in Europe, to access over 240,000 public electric charge points across 32 European countries. Edenred supports fleet managers in the transition towards electric vehicle usage, notably through the introduction of an all-in-one, fully integrated solution that combines an electric vehicle charging solution with UTA Edenred's proven energy, toll and maintenance services.

## ► Edenred launches “Move for Good”, a global program that accompanies its clients on their green transition

On June 15, Edenred launched “Move for Good”, a global sustainability program enabling its transportation and mobility clients to mitigate their environmental impact, while promoting biodiversity preservation. Already operational in some European and Latin American countries, this program will be deployed by Edenred globally.

## II. OUTLOOK

In the first half of 2022, Edenred once again proved its capacity to leverage the benefits of its digital platform, thanks to its ongoing strong sales and innovation momentum.

In an environment accelerating new structural trends, such as increased digitalization among stakeholders (clients, partner merchants and users), radical transformations in the working world and the beginning of a new era of greener mobility, Edenred is ideally positioned to seize the opportunities arising from these changes.

At the same time, the Group expects to continue benefiting from a favorable macro-economic context that is further enhancing the attractiveness of its offerings. This can be seen both in Employee Benefits, against a backdrop of “talent wars” for employers and a desire by both governments and companies to protect workers’ purchasing power, and in Fleet & Mobility Solutions, where fleet managers are looking to tighten control over their expenses.

Edenred is therefore better poised than ever to generate sustainable and profitable growth. The Group is targeting full-year EBITDA of between €770 million and €820 million<sup>3</sup> for 2022, versus €670 million in 2021.

In addition, Edenred has an investment capacity of between €1.5 billion and €2.0 billion to be able to carry out any external growth transactions.

## III. MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the “Risk Factors” section of the [2021 Universal Registration Document](#) filed with French securities regulator AMF on March 30, 2022.

Furthermore, details about different impacts of the inflation and the conflict between Russia and Ukraine are presented in chapter 2, Note 1.4 and 1.5.

The amounts relating to market and financial risks at 30 June 2022 are described in the note 6.6 in section “Notes to financial statements” of this Half-year Report. Furthermore, claims and litigation are presented in the note 10.3 in section “Notes to financial statements” of this Half-year Report.

## IV. MAIN RELATED PARTY TRANSACTIONS

There were no material changes in related party transactions during the half year of 2022.

<sup>3</sup> Calculated based on an assumption of an average euro/ Brazilian real exchange rate for the second half of 2022 equal to the closing spot rate on June 30, 2022.

More details in the 2020 Universal Registration Document page 301, Note 11.2 to [2021 Universal Registration Document](#).

## V. SUBSEQUENT EVENTS

None

## VI. GLOSSARY

### a) Main terms

- **Like-for-like, impact of changes in the scope of consolidation, currency effect:**

Like-for-like or organic growth corresponds to comparable growth, i.e., growth at constant exchange rates and scope of consolidation. This indicator reflects the Group's business performance.

Changes in activity (like-for-like or organic growth) represent changes in amounts between the current period and the comparative period, adjusted for currency effects and for the impact of acquisitions and/or disposals.

The impact of acquisitions is eliminated from the amount reported for the current period. The impact of disposals is eliminated from the amount reported for the comparative period. The sum of these two amounts is known as the impact of changes in the scope of consolidation or the scope effect.

The calculation of changes in activity is translated at the exchange rate applicable in the comparative period and divided by the adjusted amount for the comparative period.

The currency effect is the difference between the amount for the reported period translated at the exchange rate for the reported period and the amount for the reported period translated at the exchange rate applicable in the comparative period.

- **Business volume**

Business volume comprises total issue volume of Employee Benefits, Incentive and Rewards, Public Social Program solutions and Corporate Payment Services, plus the transaction volume of Fleet & Mobility Solutions and other solutions.

- **Issue volume**

Issue volume is the total face value of the funds preloaded on all of the payment solutions issued by Edenred to its corporate and public sector clients.

- **Transaction volume**

Transaction volume represents the total value of the transactions paid for with payment instruments, at the time of the transaction.

### b) **Alternative performance measurement indicators included in the June 30, 2022 Interim Financial Report**

The alternative performance measurement indicators outlined below are presented and reconciled with accounting data in the Annual Financial Report.

Indicator	Reference note in Edenred's 2022 condensed interim consolidated financial statements
Operating revenue	Operating revenue corresponds to:

- operating revenue generated by prepaid vouchers managed by Edenred,
- and operating revenue from value-added services such as incentive programs, human services and event-related services.
- It corresponds to the amount billed to the client company and is recognized on delivery of the solutions.

Other revenue is interest generated by investing cash over the period between:

**Other revenue**

- the issue date and the reimbursement date for vouchers,
- and the loading date and the redeeming date for cards.

The interest represents a component of operating revenue and as such is included in the determination of total revenue.

**EBITDA**

This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses.

**Operating EBIT**

This aggregate corresponds to EBIT adjusted for other revenue.

As per the consolidated financial statements, operating EBIT as of June 30, 2022, amounted to €264 million, comprising:

- plus €295 million in EBIT
- minus €31 million in other revenue.

**EBIT**

This aggregate is the "Operating profit before other income and expenses", which corresponds to total revenue (operating revenue and other revenue) less operating expenses, depreciation, amortization (mainly intangible assets, internally generated or acquired assets) and non-operating provisions. It is used as the benchmark for determining senior management and other executive compensation as it reflects the economic performance of the business.

EBIT excludes the net profit from equity-accounted companies and excludes the other income and expenses booked in the "Operating profit including share of net profit from equity-accounted companies".

**Other income and expenses**

See Note 10.1 of consolidated financial statements

**Funds from operations (FFO)**

See consolidated statement of cash flows (Part 1.4)

**c) Alternative performance measurement indicators not included in the June 30, 2022 Interim Financial Report**

Indicator	Definitions and reconciliations with Edenred's 2022 condensed interim consolidated financial statements
Free cash flow	Free cash flow corresponds to cash generated by operating activities less investments in intangible assets and property, plant and equipment.

## VII. APPENDICES

### Operating revenue

In € millions	Q1		Q2		H1	
	2022	2021	2022	2021	2022	2021
Europe	270	237	281	238	551	475
<i>France</i>	76	69	74	66	150	135
<i>Rest of Europe</i>	194	168	207	172	401	340
Latin America	123	97	148	107	270	204
Rest of the world	33	29	36	28	70	58
<b>Total</b>	<b>426</b>	<b>363</b>	<b>465</b>	<b>373</b>	<b>891</b>	<b>736</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+13.8%	+13.4%	+18.1%	+18.0%	+16.0%	+15.7%
<i>France</i>	+10.3%	+10.3%	+12.2%	+12.2%	+11.2%	+11.2%
<i>Rest of Europe</i>	+15.3%	+14.8%	+20.3%	+20.2%	+17.8%	+17.5%
Latin America	+26.5%	+16.5%	+38.0%	+17.2%	+32.5%	+16.9%
Rest of the world	+14.3%	+26.0%	+26.9%	+36.7%	+20.5%	+31.3%
<b>Total</b>	<b>+17.3%</b>	<b>+15.3%</b>	<b>+24.5%</b>	<b>+19.2%</b>	<b>+20.9%</b>	<b>+17.3%</b>

## Other revenue

In € millions	Q1		Q2		H1	
	2022	2021	2022	2021	2022	2021
Europe	5	3	6	3	11	7
<i>France</i>	2	1	1	1	3	3
<i>Rest of Europe</i>	3	2	5	2	8	4
Latin America	7	6	10	6	17	11
Rest of the world	1	1	2	1	3	3
<b>Total</b>	<b>13</b>	<b>10</b>	<b>18</b>	<b>10</b>	<b>31</b>	<b>21</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+40.5%	+39.1%	+89.8%	+88.9%	+65.2%	+64.1%
<i>France</i>	+5.6%	+5.6%	-2.0%	-2.0%	+1.7%	+1.7%
<i>Rest of Europe</i>	+66.0%	+63.5%	+159.5%	+158.0%	+112.4%	+110.4%
Latin America	+33.5%	+22.8%	+71.1%	+44.1%	+52.5%	+33.6%
Rest of the world	-18.9%	+35.3%	+10.1%	+78.4%	-4.3%	+56.9%
<b>Total</b>	<b>+28.9%</b>	<b>+29.7%</b>	<b>+69.1%</b>	<b>+63.0%</b>	<b>+49.1%</b>	<b>+46.5%</b>



## Total revenue

In € millions	Q1		Q2		H1	
	2022	2021	2022	2021	2022	2021
Europe	275	240	287	241	562	481
<i>France</i>	78	70	75	67	153	137
<i>Rest of Europe</i>	197	170	212	174	409	344
Latin America	130	103	158	113	287	216
Rest of the world	34	30	38	30	73	60
<b>Total</b>	<b>439</b>	<b>373</b>	<b>482</b>	<b>384</b>	<b>922</b>	<b>757</b>

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+14.2%	+13.8%	+19.1%	+19.0%	+16.6%	+16.4%
<i>France</i>	+10.2%	+10.2%	+11.9%	+11.9%	+11.0%	+11.0%
<i>Rest of Europe</i>	+15.9%	+15.3%	+21.9%	+21.7%	+18.9%	+18.5%
Latin America	+26.9%	+16.8%	+39.6%	+18.6%	+33.6%	+17.7%
Rest of the world	+12.9%	+26.5%	+26.1%	+38.6%	+19.4%	+32.5%
<b>Total</b>	<b>+17.6%</b>	<b>+15.7%</b>	<b>+25.7%</b>	<b>+20.4%</b>	<b>+21.7%</b>	<b>+18.1%</b>

### EBITDA, Operating EBIT and EBIT

In € millions	H1 2022	H1 2021	Change reported	Change L/L
Europe	242	192	+25.8%	+25.5%
<i>France</i>	55	49	+13.5%	+13.5%
<i>Rest of Europe</i>	187	144	+30.0%	+29.5%
Latin America	120	88	+36.5%	+18.6%
Rest of the world	18	13	+38.3%	+60.7%
Others	(15)	2	N/A	N/A
<b>EBITDA</b>	<b>365</b>	<b>295</b>	<b>+23.6%</b>	<b>+22.0%</b>

In € millions	H1 2022	H1 2021	Change reported	Change L/L
Europe	205	157	+30.0%	+29.7%
<i>France</i>	44	38	+16.4%	+16.4%
<i>Rest of Europe</i>	161	120	+34.3%	+33.9%
Latin America	99	72	+39.6%	+20.8%
Rest of the world	11	5	+93.7%	+141.9%
Others	(20)	(3)	N/A	N/A
<b>EBIT</b>	<b>295</b>	<b>232</b>	<b>+27.3%</b>	<b>+26.3%</b>

In € millions	H1 2022	H1 2021	Change reported	Change L/L
Europe	194	151	+28.5%	+28.2%
<i>France</i>	41	35	+17.6%	+17.6%
<i>Rest of Europe</i>	153	116	+31.7%	+31.3%
Latin America	82	60	+37.2%	+18.5%
Rest of the world	8	3	+198.0%	+232.3%
Others	(20)	(3)	N/A	N/A
<b>Operating EBIT</b>	<b>264</b>	<b>211</b>	<b>+25.2%</b>	<b>+24.3%</b>

### Summarized balance sheet

In € millions			
ASSETS	June 30, 2022	Dec. 31, 2021	June 30, 2021
Goodwill	1,608	1,506	1,499
Intangible assets	728	677	674
Property, plant & equipment	155	156	165
Investments in associates	59	67	58
Other non-current assets	181	178	186
Float (Trade receivables, net)	1,397	1,322	1,246
Working capital excl. float (assets)	1,711	1,267	1,174
Restricted cash	2,011	2,428	2,647
Cash & cash equivalents	2,650	2,722	2,266
<b>TOTAL ASSETS</b>	<b>10,500</b>	<b>10,323</b>	<b>9,915</b>

In € millions			
LIABILITIES	June 30, 2022	Dec. 31, 2021	June 30, 2021
Total equity	(806)	(869)	(1,006)
Gross debt and other financial liabilities	3,706	3,538	3,715
Provisions and deferred tax	181	185	185
Vouchers in circulation (Float)	5,184	5,258	4,815
Working capital excl. float (liabilities)	2,235	2,211	2,206
<b>TOTAL LIABILITIES</b>	<b>10,500</b>	<b>10,323</b>	<b>9,915</b>

	June 30, 2022	Dec. 31, 2021	June 30, 2021
<b>Total working capital</b>	<b>4,311</b>	<b>4,880</b>	<b>4,601</b>
Of which float:	<b>3,787</b>	3,936	3,569

## From net profit. Group share to Free cash flows

In € millions	June 2022	June 2021
<b>Net profit attributable to owners of the parent</b>	<b>170</b>	<b>133</b>
Non-controlling interests	16	14
Dividends received from equity-accounted companies	10	14
Difference between income tax paid and income tax expense	10	14
Non-cash impact from other income and expenses	93	79
<b>= Funds from operations before other income and expenses (FFO)</b>	<b>299</b>	<b>254</b>
Decrease (Increase) in working capital <sup>4</sup>	(628)	(258)
Recurring decrease (Increase) in restricted cash	419	(18)
<b>= Net cash from (used in) operating activities</b>	<b>90</b>	<b>(22)</b>
Recurring capital expenditure	(66)	(46)
<b>= Free cash flows (FCF)<sup>4</sup></b>	<b>24</b>	<b>(68)</b>

<sup>4</sup> Including the payment of the €157 million fine issued by France's antitrust authority, increase in working capital amounted to €415 million and free cash flow amounted to a negative €225 million for first-half 2021.

# 2

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

### I. CONSOLIDATED FINANCIAL STATEMENT

1.1. CONSOLIDATED INCOME STATEMENT

1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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1.3.1 CONSOLIDATED ASSETS

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### II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# I. CONSOLIDATED FINANCIAL STATEMENT

## 1.1 CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	Notes	First-half 2022	First-half 2021
Operating revenue	4.1	891	736
Other revenue	4.1	31	21
<b>Total revenue</b>	4.1	<b>922</b>	<b>757</b>
Operating expenses	4.2	(557)	(462)
Depreciation, amortization and impairment losses	5.5	(70)	(63)
<b>Operating profit before other income and expenses (EBIT)</b>	4.4	<b>295</b>	<b>232</b>
Share of net profit from equity-accounted companies	5.4	1	4
Other income and expenses	10.1	(9)	(7)
<b>Operating profit including share of net profit from equity-accounted companies</b>		<b>287</b>	<b>229</b>
Net financial expense	6.1	(17)	(9)
<b>Profit before tax</b>		<b>270</b>	<b>220</b>
Income tax expense	7	(84)	(73)
<b>NET PROFIT</b>		<b>186</b>	<b>147</b>
Net profit attributable to owners of the parent		170	133
Net profit attributable to non-controlling interests		16	14
Earnings per share (in €)	8	0.68	0.54
Diluted earnings per share (in €)	8	0.64	0.51

## 1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	First-half 2022	First-half 2021
<b>Net profit</b>	<b>186</b>	<b>147</b>
<b>Other comprehensive income</b>		
Currency translation adjustment	153	75
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	(18)	(24)
Tax on items that may be subsequently reclassified to profit or loss	5	7
<b>Items that may be subsequently reclassified to profit or loss</b>	<b>140</b>	<b>58</b>
Actuarial gains and losses on defined-benefit plans	12	-
Tax on items that may not be subsequently reclassified to profit or loss	(3)	-
<b>Items that may not be subsequently reclassified to profit or loss</b>	<b>9</b>	<b>-</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>149</b>	<b>58</b>
<b>COMPREHENSIVE INCOME</b>	<b>335</b>	<b>205</b>
Comprehensive income attributable to owners of the parent	1.5	312
Comprehensive income attributable to non-controlling interests	1.5	23

## 1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### CONSOLIDATED ASSETS

<i>(in € millions)</i>	Notes	June 30, 2022	Dec. 31, 2021
Goodwill	5.1	1,608	1,506
Intangible assets	5.2	728	677
Property, plant and equipment	5.3	155	156
Investments in equity-accounted companies	5.4	59	67
Non-current financial assets	6.2	143	140
Deferred tax assets		38	38
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,731</b>	<b>2,584</b>
Trade receivables	4.5	2,573	2,119
Inventories, other receivables and accruals	4.5	535	470
Restricted cash	4.6	2,011	2,428
Current financial assets	6.2/6.5	7	43
Other marketable securities	6.3/6.5	1,483	1,185
Cash and cash equivalents	6.3/6.5	1,160	1,494
<b>TOTAL CURRENT ASSETS</b>		<b>7,769</b>	<b>7,739</b>
<b>TOTAL ASSETS</b>		<b>10,500</b>	<b>10,323</b>

## CONSOLIDATED EQUITY AND LIABILITIES

<i>(in € millions)</i>	Notes	June 30, 2022	Dec. 31, 2021
Issued capital		499	499
Additional paid-in capital and consolidated retained earnings (accumulated losses)		(890)	(770)
Currency translation adjustment		(471)	(615)
Treasury shares		(48)	(67)
<b>Equity attributable to owners of the parent</b>		<b>(910)</b>	<b>(953)</b>
Non-controlling interests		104	84
<b>Total equity</b>		<b>(806)</b>	<b>(869)</b>
Non-current debt	6.4/6.5	2,846	3,023
Other non-current financial liabilities	6.4/6.5	298	120
Non-current provisions	10.2	24	34
Deferred tax liabilities		148	137
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,316</b>	<b>3,314</b>
Current debt	6.4/6.5	520	348
Other current financial liabilities	6.4/6.5	42	47
Current provisions	10.2	9	14
Funds to be redeemed	4.5	5,184	5,258
Trade payables	4.5	1,107	721
Current tax liabilities	4.5	38	27
Other payables		1,090	1,463
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,990</b>	<b>7,878</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,500</b>	<b>10,323</b>



## 1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € millions)</i>	Notes	First-half 2022	First-half 2021
+ Net profit attributable to owners of the parent		170	133
+ Non-controlling interests		16	14
- Share of net profit from equity-accounted companies	5.4	(1)	(4)
- Depreciation, amortization and changes in operating provisions		73	65
- Expenses related to share-based payments		10	2
- Non-cash impact of other income and expenses		4	9
- Difference between income tax paid and income tax expense		10	14
+ Dividends received from equity-accounted companies	5.4	10	14
<b>= Funds from operations including other income and expenses</b>		<b>292</b>	<b>247</b>
- Other income and expenses (including restructuring costs)		7	7
<b>= Funds from operations before other income and expenses (FFO)</b>		<b>299</b>	<b>254</b>
+ Decrease (increase) in working capital	4.5	(628)	(415)
+ Recurring decrease (increase) in restricted cash	4.6	419	(18)
<b>= Net cash from (used in) operating activities</b>		<b>90</b>	<b>(179)</b>
+/- Other income and expenses (including restructuring costs) received/paid		(7)	(20)
<b>= Net cash from (used in) operating activities including other income and expenses (A)</b>		<b>83</b>	<b>(199)</b>
- Acquisitions of property, plant and equipment and intangible assets		(66)	(46)
- Acquisitions of investments		(2)	(6)
- External acquisition expenditure, net of cash acquired		(46)	(30)
+ Proceeds from disposals of assets		13	5
<b>= Net cash from (used in) investing activities (B)</b>		<b>(101)</b>	<b>(77)</b>
+ Capital increase		-	-
- Dividends paid <sup>(1)</sup>	3.1	(225)	(68)
+ (Purchases) sales of treasury shares		9	(17)
+ Increase in non-current debt		1	410
- Decrease in non-current debt		-	(2)
+ Change in current debt net of change in short-term investments		(188)	117
<b>= Net cash from (used in) financing activities (C)</b>		<b>(403)</b>	<b>440</b>
- Net foreign exchange differences (D)		17	21
<b>= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)</b>		<b>(404)</b>	<b>185</b>
+ Cash and cash equivalents at beginning of period		1,393	1,016
- Cash and cash equivalents at end of period		989	1,201
<b>= NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(404)</b>	<b>185</b>

(1) Including cash dividends paid to owners of the parent for €224 million (€0.90 per share) and cash dividends paid to non-controlling interests for €1 million.

Net cash and cash equivalents at the end of the period can be analyzed as follows:

<i>(in € millions)</i>	Notes	June 30, 2022	June 30, 2021
+ Cash and cash equivalents	6.3	1,160	1,322
- Bank overdrafts	6.5	(171)	(121)
<b>= NET CASH AND CASH EQUIVALENTS</b>		<b>989</b>	<b>1,201</b>

## 1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Issued capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings (accumulated losses) <sup>(2)</sup>	Cumulative compensation costs – share-based payments	Cumulative fair value adjustments to financial instruments	Cumulative actuarial gains (losses) on defined-benefit plans	Cumulative currency translation adjustment <sup>(1)</sup>	Net profit attributable to owners of the parent	Equity attributable to owners of the parent	Total non-controlling interests	Total equity
<b>Dec. 31, 2020</b>	<b>493</b>	<b>950</b>	<b>(37)</b>	<b>(2,363)</b>	<b>141</b>	<b>33</b>	<b>(10)</b>	<b>(675)</b>	<b>238</b>	<b>(1,230)</b>	<b>96</b>	<b>(1,134)</b>
Appropriation of 2020 net profit	-	-	-	238	-	-	-	-	(238)	-	-	-
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-	1	1
- in cash	-	-	-	-	-	-	-	-	-	-	-	-
- cancellation of treasury shares	-	(13)	-	-	-	-	-	-	-	(13)	-	(13)
- options exercised	-	-	-	-	-	-	-	-	-	-	-	-
- dividends reinvested in new shares	6	118	-	-	-	-	-	-	-	124	-	124
Dividends paid	-	-	-	(185)	-	-	-	-	-	(185)	(8)	(193)
Changes in consolidation scope <sup>(4)</sup>	-	-	-	1	-	-	-	-	-	1	(2)	(1)
Compensation costs – share-based payments	-	-	-	-	2	-	-	-	-	2	-	2
(Acquisitions) disposals of treasury shares	-	-	(5)	-	-	-	-	-	-	(5)	-	(5)
Other	-	-	-	9	-	-	-	-	-	9	(1)	8
<b>Other comprehensive income</b>	-	-	-	-	-	(15)	-	69	-	54	4	58
Net profit for the period	-	-	-	-	-	-	-	-	133	133	14	147
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	-	-	-	(15)	-	69	133	187	18	205
<b>June 30, 2021</b>	<b>499</b>	<b>1,055</b>	<b>(42)</b>	<b>(2,300)</b>	<b>143</b>	<b>18</b>	<b>(10)</b>	<b>(606)</b>	<b>133</b>	<b>(1,110)</b>	<b>104</b>	<b>(1,006)</b>
<b>Dec. 31, 2021</b>	<b>499</b>	<b>1,055</b>	<b>(67)</b>	<b>(2,294)</b>	<b>153</b>	<b>10</b>	<b>(7)</b>	<b>(615)</b>	<b>313</b>	<b>(953)</b>	<b>84</b>	<b>(869)</b>
Appropriation of 2021 net profit	-	-	-	313	-	-	-	-	(313)	-	-	-
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-	-	-
- in cash	-	-	-	-	-	-	-	-	-	-	-	-
- cancellation of treasury shares	-	(10)	-	-	-	-	-	-	-	(10)	-	(10)
- options exercised	-	-	-	-	-	-	-	-	-	-	-	-
- dividends reinvested in new shares	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid <sup>(3)</sup>	-	-	-	(224)	-	-	-	-	-	(224)	(1)	(225)
Changes in consolidation scope <sup>(4)</sup>	-	-	-	(36)	-	-	-	-	-	(36)	2	(34)
Compensation costs – share-based payments	-	-	-	-	10	-	-	-	-	10	-	10
(Acquisitions) disposals of treasury shares	-	-	19	-	-	-	-	-	-	19	-	19
Other <sup>(5)</sup>	-	-	-	(28)	-	-	-	-	-	(28)	(4)	(32)
<b>Other comprehensive income</b>	-	-	-	-	-	(11)	9	144	-	142	7	149
Net profit for the period	-	-	-	-	-	-	-	-	170	170	16	186
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	-	-	-	(11)	9	144	170	312	23	335
<b>June 30, 2022</b>	<b>499</b>	<b>1,045</b>	<b>(48)</b>	<b>(2,269)</b>	<b>163</b>	<b>(1)</b>	<b>2</b>	<b>(471)</b>	<b>170</b>	<b>(910)</b>	<b>104</b>	<b>(806)</b>

(1) See Note 1.4 "Presentation currency and foreign currencies" detailing the main exchange rates used in 2021 and 2022. The €471 million negative translation reserve attributable to owners of the parent corresponds mainly to translation adjustments arising from changes in exchange rates for the Brazilian real for a negative €315 million, the Venezuelan bolivar for a negative €130 million, the Argentine peso for a negative €24 million, the Turkish lira for a negative €23 million and the US dollar for a positive €57 million.

(2) This amount includes the €1,894 million negative impact of acquiring Edenred entities owned by Accor and deducted from equity following the demerger in June 2010.

(3) Corresponding to the distribution of €224 million paid to Group shareholders in cash (Note 3.1 "Payment of the 2021 dividend") and €1 million paid to non-controlling interests.

(4) Changes in consolidation scope in 2021 (excluding the currency effect) corresponded mainly to the exercise of the last call option on the remaining 19.52% of La Compagnie des cartes carburant.

In first-half 2022, the impact corresponded to the first-time consolidation of Greenpass, which resulted in a €4 million increase in non-controlling interests, and to the acquisition of the remaining 20% non-controlling interest in TRFC, which led to a €36 million decrease in equity attributable to owners of the parent and a €2 million decrease in non-controlling interests (see Note 2 "Acquisitions, development projects and disposals").

(5) The line "Other" corresponds mainly to the impact of the liability relating to the option over the 49% non-controlling interest in Greenpass, resulting in a €34 million decrease in equity attributable to owners of the parent and a €4 million decrease in non-controlling interests (see Note 2 "Acquisitions, development projects and disposals"), and to the impact of hyperinflation in Argentina and Turkey, resulting in an €8 million increase in attributable equity.

## II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

- ▶ Note 1: BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS
- ▶ Note 2: ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS
- ▶ Note 3: SIGNIFICANT EVENTS
- ▶ Note 4: OPERATING ACTIVITY
- ▶ Note 5: NON-CURRENT ASSETS
- ▶ Note 6: FINANCIAL ITEMS
- ▶ Note 7: INCOME TAX – EFFECTIVE TAX RATE
- ▶ Note 8: EARNINGS PER SHARE
- ▶ Note 9: EMPLOYEE BENEFITS
- ▶ Note 10: OTHER PROVISIONS AND OBLIGATIONS
- ▶ Note 11: UPDATE ON ACCOUNTING STANDARDS



This icon indicates an IFRS standard issue.



This icon indicates a definition specific to the Edenred Group.



This icon indicates the use of an estimate or judgment. In the absence of standards or interpretations applicable to a specific transaction, the management of Edenred uses judgment to define and apply the accounting methods that will provide relevant and reliable information, so that the financial statements present a true and fair view of the financial position, the financial performance and the cash flows of the Group, and show the economic reality of transactions.



This icon indicates the Group's figures for the current period as well as the comparative period.

# NOTE 1 BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

## 1.1 APPROVAL OF THE FINANCIAL STATEMENTS FOR PUBLICATION

The Edenred Group's condensed consolidated financial statements for the six months ended June 30, 2022 were approved for publication by the Board of Directors on July 25, 2022.

## 1.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS



Pursuant to European Regulation (EC) No. 1606/2002 of July 19, 2002, the Edenred consolidated financial statements for the six months ended June 30, 2022, have been prepared in accordance with IAS 34 – Interim Financial Reporting. Since they are condensed financial statements, they do not include all the disclosures required under IFRS for the preparation of complete financial statements and must therefore be read in conjunction with the 2021 consolidated financial statements.

The accounting principles used to prepare the condensed consolidated financial statements are in line with IFRS standards and interpretations, as adopted by the European Union at June 30, 2022, which can be viewed at the following address:

[https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_fr#overview](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr#overview)

The accounting policies used by the Group to prepare the condensed interim consolidated financial statements are the same as those applied to prepare the 2021 consolidated financial statements, with the exception of:

- (1) the standards, amendments and interpretations effective for annual reporting periods beginning on or after January 1, 2022 (Note 11);
- (2) the specific items relating to the preparation of interim financial statements (Note 1.3).

## 1.3 SPECIFIC ITEMS RELATING TO THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

### Income tax

For the interim consolidated financial statements, current and deferred income tax expense is calculated by applying the estimated annual average tax rate for the current fiscal year for each entity or tax group to profit before tax for the period. Income tax on any material non-recurring items for the period is measured at the actual income tax rate applicable to the items concerned.

## Post-employment benefits and other long-term employee benefits

The expense for the period relating to post-employment benefits and other long-term employee benefits corresponds to half of the projected annual expense, determined based on the data and actuarial assumptions used at the prior year-end.

In the event of significant changes in certain factors, such as market conditions and plan settlements and curtailments, the actuarial assumptions used by the Group to calculate the employee benefit obligation at the end of interim periods differ from those used at year-end. The impact of any changes in assumptions is recognized as appropriate in the consolidated statement of comprehensive income (see section 1.2).

## 1.4 PRESENTATION CURRENCY AND FOREIGN CURRENCIES



In accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, and for consolidation needs, balance sheet items expressed in a functional currency other than the euro are translated into euros at the exchange rate on the balance sheet date (closing exchange rate). Income statements expressed in a functional currency other than the euro are translated at the average rate for the period. Differences arising from translation are recorded as a separate component of equity and recognized in profit or loss on disposal or closing of the business.

ISO code	Currency	Country	First-half 2022		Full-year 2021		First-half 2021	
			Closing rate at June 30, 2022	Average rate	Closing rate at Dec. 31, 2021	Average rate	Closing rate at June 30, 2021	Average rate
			EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =
ARS	Peso	ARGENTINA	130.06	130.06	116.36	116.36	113.75	113.75
BRL	Real	BRAZIL	5.42	5.55	6.31	6.38	5.91	6.49
USD	US dollar	UNITED STATES	1.04	1.09	1.13	1.18	1.19	1.20
MXN	Peso	MEXICO	20.96	22.16	23.14	23.98	23.58	24.32
RON	Leu	ROMANIA	4.95	4.95	4.95	4.92	4.93	4.90
GBP	Pound sterling	UNITED KINGDOM	0.86	0.84	0.84	0.86	0.86	0.87
SEK	Krona	SWEDEN	10.73	10.48	10.25	10.15	10.11	10.13
CZK	Koruna	CZECH REPUBLIC	24.74	24.64	24.86	25.64	25.49	25.86
TRY	Lira	TURKEY	17.32	17.32	15.23	10.51	10.32	9.52
AED	Dirham	UNITED ARAB EMIRATES	3.82	4.02	4.16	4.34	4.39	4.43
TWD	Taiwan dollar	TAIWAN	30.89	31.38	31.34	31.04	33.33	33.79
VES*	Bolivar	VENEZUELA	5.72	5.07	5.20	3.77	3,805,348.31	2,701,510.81

\* Entry into force of the digital bolivar in 2021, with a new monetary scale that removed six zeros from the currency.

The impact on attributable consolidated equity of currency translation adjustments was a positive €144 million between December 31, 2021 and June 30, 2022. The difference mainly reflects movements in the following currencies :

ISO code	Currency	Country	June 30, 2022
USD	US dollar	UNITED STATES	48
MXN	Peso	MEXICO	21
GBP	Pound sterling	UNITED KINGDOM	(5)
BRL	Real	BRAZIL	80

## Hyperinflation in Argentina and Turkey

Argentina and Turkey have been qualified as hyperinflationary economies since July 1, 2018 and January 1, 2022, respectively. The Group applies IAS 29 – Financial Reporting in Hyperinflationary Economies to its operations in these countries.

A EUR/ARS exchange rate of 130.06 and a EUR/TRY exchange rate of 17.32 have been used. Non-monetary items have been adjusted using Argentina's IPC consumer price index, published by national statistics institute INDEC, and Turkey's TÜFE consumer price index, respectively.

The impact of the adjustment on the first-half 2022 interim financial statements is not material.

## 1.5 USE OF JUDGMENTS AND ESTIMATES

The preparation of financial statements requires the use of judgments, estimates and assumptions to determine the reported amount of certain assets, liabilities, income and expenses, and to take into account the potential positive or negative effect of uncertainties existing at the balance sheet date.

Due to changes in the assumptions used and economic conditions different from those existing at the balance sheet date, the amounts in the Group's future financial statements could be materially different from current estimates.

At June 30, 2022, Edenred states that, following the conflict between Russia and Ukraine, the Group ceased all operations in Russia indefinitely in March 2022 in line with sanctions imposed by the European Union. Its operations in the country were limited to providing access to a fuel distribution network. In Ukraine, the Group's operations are also limited to providing access to a fuel distribution network. Edenred's direct economic exposure to this conflict is therefore limited.

However, the Group has observed that certain countries have levied economic sanctions on Russia due to the conflict. While the Group did not observe any impact on its operations in the six months ended June 30, 2022, these sanctions could nevertheless lead to a worldwide slowdown in business activity and therefore negatively impact growth in the business volume generated by the Group's solutions. Although this impact is difficult to estimate accurately at the date the 2022 condensed interim consolidated financial statements were approved for publication, Edenred reaffirms its confidence in its ability to generate sustainable and profitable growth in 2022 and to achieve its full-year objectives.

## NOTE 2 ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS

### Greenpass

On February 21, 2022, Edenred acquired a 51% controlling interest in Greenpass, an issuer of electronic toll solutions in Brazil.

The provisional purchase price allocation primarily led to the recognition of goodwill for €15 million.

### The Right Fuel Card

On June 10, 2022, Edenred raised its stake in The Right Fuel Card to 100% following the exercise of its call option on the remaining 20% of the share capital (see section 1.5 "Consolidated statement of changes in equity").

## NOTE 3 SIGNIFICANT EVENTS

### 3.1 PAYMENT OF THE 2021 DIVIDEND

At the Combined General Meeting on May 11, 2022, Edenred shareholders approved a dividend of €0.90 per share in respect of 2021.

The total dividend amounted to €224 million and was paid in cash to Group shareholders on June 9, 2022.

### 3.É SUBSEQUENT EVENTS

Not applicable.

# NOTE 4 OPERATING ACTIVITY

## 4.1 OPERATING SEGMENTS



IFRS 8 requires companies to present financial information aggregated into “operating segments”. The operating segments must reflect the groupings made by “the chief operating decision maker” for the purposes of allocating resources and assessing the performance of the consolidated group.

For aggregation to occur, IFRS 8 requires that the operating segments have similar long-term economic characteristics, and be similar in each of the following respects:

- a) the nature of the products and services;
- b) the nature of the production processes;
- c) the type or class of customer for their products and services;
- d) the methods used to distribute their products or provide their services; and
- e) if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities.

### Chief operating decision maker



Edenred's chief operating decision maker is the Chief Executive Officer assisted by the Executive Committee (or “executive management”). Executive management makes decisions about resource allocation to the operating segments and assesses their performance.

Executive management decisions are based on data produced by the Group's internal reporting system. The internal reporting system presents information at the country level. This is because Edenred's business is multi-location with operational decisions made at the level of each homogeneous geographic area. In the Group's internal reporting system, country-level information is aggregated into four geographical operating segments:

- France;
- Europe (excluding France);
- Latin America;
- Rest of the World.

Except France, the presented segments are thus aggregations of operating segments.

### Aggregation



The “Europe (excluding France)” and “Latin America” aggregations meet the criteria mentioned above.

The “Rest of the World” segment aggregates the countries that are not included in “France”, “Europe (excluding France)” and “Latin America”.

Finally, “Other” mainly comprises holding companies, regional headquarters and companies with no operating activity.

Transactions between segments are not material.



## 4.1.1 Condensed financial information

Executive management uses the following indicators to track business performance:

- total revenue;
- EBITDA, which corresponds to total revenue less operating expenses excluding depreciation, amortization and provisions;
- EBIT, which corresponds to total revenue less operating expenses.

FIRST-HALF 2022



Income statement

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	First-half 2022
Operating revenue	150	401	270	70	-	891
Other revenue	3	8	17	3	-	31
<b>Total external revenue</b>	<b>153</b>	<b>409</b>	<b>287</b>	<b>73</b>	-	<b>922</b>
Inter-segment revenue	-	-	-	-	-	-
<b>TOTAL REVENUE FROM OPERATING SEGMENTS</b>	<b>153</b>	<b>409</b>	<b>287</b>	<b>73</b>	-	<b>922</b>
<b>EBITDA</b>	<b>55</b>	<b>187</b>	<b>120</b>	<b>18</b>	<b>(15)</b>	<b>365</b>
<b>EBIT</b>	<b>44</b>	<b>161</b>	<b>99</b>	<b>11</b>	<b>(20)</b>	<b>295</b>

FIRST-HALF 2021



Income statement

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	First-half 2021
Operating revenue	135	340	204	58	-	736
Other revenue	3	4	11	3	-	21
<b>Total external revenue</b>	<b>137</b>	<b>344</b>	<b>216</b>	<b>60</b>	-	<b>757</b>
Inter-segment revenue	-	6	-	-	(6)	-
<b>TOTAL REVENUE FROM OPERATING SEGMENTS</b>	<b>137</b>	<b>350</b>	<b>216</b>	<b>60</b>	<b>(6)</b>	<b>757</b>
<b>EBITDA</b>	<b>49</b>	<b>144</b>	<b>88</b>	<b>13</b>	<b>2</b>	<b>295</b>
<b>EBIT</b>	<b>38</b>	<b>120</b>	<b>72</b>	<b>5</b>	<b>(3)</b>	<b>232</b>



Changes in revenue and earnings

Changes in revenue and earnings between first-half 2021 and first-half 2022 break down as follows:

(in € millions)	Δ First-half 2022/First-half 2021									
			Organic growth		Changes in consolidation scope		Currency effect		Total change	
	First-half 2022	First-half 2021	In €m	As a %	In €m	As a %	In €m	As a %	In €m	As a %
Operating revenue	891	736	+127	+17.3%	(3)	(0.5)%	+31	+4.1%	+155	+20.9%
Other revenue	31	21	+10	+46.5%	+0	+1.7%	+0	+1.0%	+10	+49.1%
<b>Total external revenue</b>	<b>922</b>	<b>757</b>	<b>+137</b>	<b>+18.1%</b>	<b>(3)</b>	<b>(0.4)%</b>	<b>+31</b>	<b>+4.0%</b>	<b>+165</b>	<b>+21.7%</b>
<b>EBITDA</b>	<b>365</b>	<b>295</b>	<b>+65</b>	<b>+22.0%</b>	<b>(8)</b>	<b>(2.6)%</b>	<b>+13</b>	<b>+4.2%</b>	<b>+70</b>	<b>+23.6%</b>
<b>EBIT</b>	<b>295</b>	<b>232</b>	<b>+61</b>	<b>+26.3%</b>	<b>(7)</b>	<b>(3.0)%</b>	<b>+9</b>	<b>+4.1%</b>	<b>+63</b>	<b>+27.3%</b>



## Reconciliation of EBITDA

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
Total revenue	153	409	287	73	-	922
Operating expenses	(98)	(222)	(167)	(55)	(15)	(557)
<b>EBITDA – first-half 2022</b>	<b>55</b>	<b>187</b>	<b>120</b>	<b>18</b>	<b>(15)</b>	<b>365</b>
<b>EBITDA – first-half 2021</b>	<b>49</b>	<b>144</b>	<b>88</b>	<b>13</b>	<b>2</b>	<b>295</b>



## Statement of financial position

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	June 30, 2022
Goodwill	160	557	389	502	0	1,608
Intangible assets	83	250	254	117	24	728
Property, plant and equipment	39	65	25	9	17	155
Non-current financial assets and investments in equity-accounted companies	49	77	10	7	59	202
Deferred tax assets	5	14	22	-	(3)	38
<b>Non-current assets</b>	<b>336</b>	<b>963</b>	<b>700</b>	<b>635</b>	<b>97</b>	<b>2,731</b>
<b>Current assets</b>	<b>1,309</b>	<b>2,996</b>	<b>1,783</b>	<b>374</b>	<b>1,307</b>	<b>7,769</b>
<b>TOTAL ASSETS</b>	<b>1,645</b>	<b>3,959</b>	<b>2,483</b>	<b>1,009</b>	<b>1,404</b>	<b>10,500</b>
Equity and non-controlling interests	(271)	686	786	601	(2,608)	(806)
Non-current liabilities	49	116	157	11	2,983	3,316
Current liabilities	1,867	3,157	1,540	397	1,029	7,990
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,645</b>	<b>3,959</b>	<b>2,483</b>	<b>1,009</b>	<b>1,404</b>	<b>10,500</b>

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	June 30, 2021
Goodwill	160	558	340	441	-	1,499
Intangible assets	78	248	218	113	17	674
Property, plant and equipment	46	64	23	12	20	165
Non-current financial assets and investments in equity-accounted companies	4	116	12	3	64	199
Deferred tax assets	5	19	14	1	6	45
<b>Non-current assets</b>	<b>293</b>	<b>1,005</b>	<b>607</b>	<b>570</b>	<b>107</b>	<b>2,582</b>
<b>Current assets</b>	<b>1,332</b>	<b>3,162</b>	<b>1,341</b>	<b>304</b>	<b>1,194</b>	<b>7,333</b>
<b>TOTAL ASSETS</b>	<b>1,625</b>	<b>4,167</b>	<b>1,948</b>	<b>874</b>	<b>1,301</b>	<b>9,915</b>
Equity and non-controlling interests	(217)	677	740	537	(2,743)	(1,006)
Non-current liabilities	53	115	93	16	3,067	3,344
Current liabilities	1,789	3,375	1,115	321	977	7,577
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,625</b>	<b>4,167</b>	<b>1,948</b>	<b>874</b>	<b>1,301</b>	<b>9,915</b>

## 4.1.2 Segment information by indicator



### TOTAL REVENUE BY REGION

Total revenue is made up of operating revenue and other revenue.

Changes in total revenue between first-half 2021 and first-half 2022 break down as follows:

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Total revenue – first-half 2022	153	409	287	73	<b>922</b>
Total revenue – first-half 2021	137	344	216	60	<b>757</b>
Change	+16	+65	+71	+13	+165
% change	+11.0%	18.9%	+33.6%	+19.4%	+21.7%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+16</b>	<b>+64</b>	<b>+37</b>	<b>+20</b>	<b>+137</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+11.0%</b>	<b>18.5%</b>	<b>+17.7%</b>	<b>+32.5%</b>	<b>+18.1%</b>



### OPERATING REVENUE BY REGION

Changes in operating revenue between first-half 2021 and first-half 2022 break down by region as follows:

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Operating revenue – first-half 2022	150	401	270	70	<b>891</b>
Operating revenue – first-half 2021	135	340	204	58	<b>736</b>
Change	+15	+61	+66	+12	+155
% change	+11.2%	17.8%	+32.5%	+20.5%	+20.9%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+15</b>	<b>+60</b>	<b>+34</b>	<b>+18</b>	<b>+127</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+11.2%</b>	<b>17.5%</b>	<b>+16.9%</b>	<b>+31.3%</b>	<b>+17.3%</b>

Operating revenue for Brazil amounted to €190 million in first-half 2022, versus €139 million in first-half 2021.



### OTHER REVENUE BY REGION

Other revenue is the interest generated by investing cash over the period between:

- the issuance date and the reimbursement date for prepaid vouchers; and
- the loading date and the redeeming date for prepaid cards.

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Other revenue – first-half 2022	3	8	17	3	<b>31</b>
Other revenue – first-half 2021	3	4	11	3	<b>21</b>
Change	-	+4	+6	-	+10
% change	+1.7%	+112.4%	+52.5%	(4.3)%	+49.1%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+0</b>	<b>+4</b>	<b>+4</b>	<b>+2</b>	<b>+10</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+1.7%</b>	<b>+110.4%</b>	<b>+33.6%</b>	<b>+56.9%</b>	<b>+46.5%</b>

### 4.1.3 Operating revenue by business line



In accordance with IFRS 15, revenue is recognized upon the transfer of control to the customer. The Group acts almost exclusively as an agent for its three main businesses, recognizing only an agency commission. For any other transactions in which the Group acts as the principal, the revenue is recognized in full.

For the Employee Benefits and Fleet & Mobility Solutions business lines:

- commissions received from corporate clients are recognized when vouchers are issued to clients;
- commissions received from partner merchants are recognized upon presentation of the vouchers for reimbursement after use by the beneficiary, including commissions receivable from partner merchants applicable in some countries;
- profits on vouchers that expire without being reimbursed are recognized in income after the expiry date of the reimbursement rights or using a statistical model.

In addition to the information broken down by region as presented in the section on segment information and in accordance with IFRS 15, the following tables show a breakdown of the Group's operating revenue by business line.

(in € millions)	Employee Benefits	Fleet & Mobility Solutions	Complementary Solutions	TOTAL
Operating revenue – first-half 2022	528	252	111	<b>891</b>
Operating revenue – first-half 2021	448	190	98	<b>736</b>
Change	+80	+62	+13	<b>+155</b>
% change	+17.7%	+32.3%	+13.6%	<b>+20.9%</b>
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+70</b>	<b>+46</b>	<b>+11</b>	<b>+127</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+15.7%</b>	<b>+24.0%</b>	<b>+11.4%</b>	<b>+17.3%</b>

Complementary Solutions encompasses Corporate Payment Services, Incentive & Rewards Solutions, and Public Social Programs.

## 4.2 OPERATING EXPENSES



(in € millions)	First-half 2022	First-half 2021
Employee benefit expense	(267)	(228)
Cost of sales	(81)	(68)
Business taxes	(26)	(19)
Other operating expenses	(183)	(147)
<b>TOTAL OPERATING EXPENSES</b>	<b>(557)</b>	<b>(462)</b>

Other operating expenses consist mainly in IT expenses, external fees, marketing and advertising expenses, additions to and reversals of impairment of current assets, and development expenses for IT projects.

## 4.3 EBITDA



### EBITDA BY REGION

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
EBITDA – first-half 2022	55	187	120	18	(15)	365
EBITDA – first-half 2021	49	144	88	13	2	295
Change	+6	+43	+32	+5	(17)	+70
% change	+13.5%	+30.0%	+36.5%	+38.3%	N/A	+23.6%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+6</b>	<b>+43</b>	<b>+16</b>	<b>+8</b>	<b>(8)</b>	<b>+65</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+13.5%</b>	<b>+29.5%</b>	<b>+18.6%</b>	<b>+60.7%</b>	<b>N/A</b>	<b>+22.0%</b>

## 4.4 EBIT



### EBIT BY REGION

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
EBIT – first-half 2022	44	161	99	11	(20)	295
EBIT – first-half 2021	38	120	72	5	(3)	232
Change	+6	+41	+27	+6	(17)	+63
% change	+16.4%	+34.3%	+39.6%	+93.7%	N/A	+27.3%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+6</b>	<b>+41</b>	<b>+14</b>	<b>+8</b>	<b>(8)</b>	<b>+61</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+16.4%</b>	<b>+33.9%</b>	<b>+20.8%</b>	<b>+141.9%</b>	<b>N/A</b>	<b>+26.3%</b>

## 4.5 CHANGE IN WORKING CAPITAL AND FUNDS TO BE REDEEMED

(in € millions)	June 30, 2022	Dec. 31, 2021	Change
Inventories, net	54	46	8
Trade receivables, net, linked to funds to be redeemed	1,312	1,239	73
Trade receivables, net, not linked to funds to be redeemed	1,261	880	381
Other receivables, net	481	424	57
<b>WORKING CAPITAL – ASSETS</b>	<b>3,108</b>	<b>2,589</b>	<b>519</b>
Trade payables	(1,107)	(721)	(386)
Other payables	(1,090)	(1,463)	373
Funds to be redeemed	(5,184)	(5,258)	74
<b>WORKING CAPITAL – LIABILITIES</b>	<b>(7,381)</b>	<b>(7,442)</b>	<b>61</b>
<b>NEGATIVE WORKING CAPITAL</b>	<b>(4,273)</b>	<b>(4,853)</b>	<b>580</b>
Current tax liabilities	(38)	(27)	(11)
<b>NET NEGATIVE WORKING CAPITAL (incl. corporate income tax liabilities)</b>	<b>(4,311)</b>	<b>(4,880)</b>	<b>569</b>

At June 30, 2022, working capital stood at negative €4,311 million versus negative €4,880 million at December 31, 2021. The difference in working capital (excluding corporate income tax liabilities) is mainly attributable to:

- the recovery in consumption by beneficiaries – a process that had already begun in 2021 – which led funds to be redeemed to decrease faster than vouchers in circulation were renewed. This situation was exacerbated by business seasonality effects late in the first half;
- the increase in trade receivables not linked to funds to be redeemed, in particular following the significant rise in business volume for Fleet & Mobility Solutions;

a €39 million negative currency effect

(in € millions)	First-half 2022	First-half 2021
Working capital at beginning of period	(4,853)	(4,913)
Change in working capital <sup>(1)</sup>	628	415
Acquisitions	(3)	-
Disposals/liquidations	-	-
Change in impairment of current assets	(3)	(2)
Currency translation adjustment	(39)	(74)
Reclassifications to other balance sheet items	(3)	4
<b>NET CHANGE IN WORKING CAPITAL</b>	<b>580</b>	<b>343</b>
<b>WORKING CAPITAL AT END OF PERIOD</b>	<b>(4,273)</b>	<b>(4,570)</b>

<sup>(1)</sup> See section 1.4 “Consolidated statement of cash flows”.

The update to the statistical impairment rates used for Group entities' current assets did not lead to any additional material provisions being recognized in the first half of 2022.

## 4.7 CHANGE IN RESTRICTED CASH



Restricted cash corresponds to voucher reserve funds. These funds, which are equal to the face value of vouchers in circulation, are subject to specific regulations in some countries, such as France for the *Ticket Restaurant*<sup>®</sup> and *Ticket CESU* solutions. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain Edenred's property and are invested in locally regulated interest-bearing financial instruments. Restricted cash also includes funds relating to PPS's direct clients.

Restricted cash corresponds mainly to voucher reserve funds subject to special regulations in the following countries: France (€822 million), the United Kingdom (€570 million), Belgium (€227 million), Romania (€114 million) and the United States (€88 million).



<i>(in € millions)</i>	<b>First-half 2022</b>	First-half 2021
Restricted cash at beginning of period	2,428	2,578
Change for the period <sup>(1)</sup>	(419)	18
Acquisitions	-	-
Currency translation adjustment	8	53
Other changes	(6)	(2)
<b>Net change in restricted cash</b>	<b>(417)</b>	<b>69</b>
<b>RESTRICTED CASH AT END OF PERIOD</b>	<b>2,011</b>	<b>2,647</b>

<sup>(1)</sup> See section 1.4 "Consolidated statement of cash flows".

# NOTE 5 NON-CURRENT ASSETS

## 5.1 GOODWILL



<i>(in € millions)</i>	<b>June 30, 2022</b>	<b>Dec. 31, 2021</b>
Goodwill, gross	1,781	1,676
Accumulated amortization and impairment losses	(173)	(170)
<b>GOODWILL, NET</b>	<b>1,608</b>	<b>1,506</b>

No indications of impairment were identified on Group goodwill or non-current assets in 2022.

<i>(in € millions)</i>	<b>June 30, 2022</b>	<b>Dec. 31, 2021</b>
France (mainly Ticket Cadeaux, Proweb CE and Moneo Resto)	160	160
UTA (including Road Account)	169	169
United Kingdom (including Prepay Technologies and TRFC)	148	151
Italy (including Easy Welfare)	92	92
Romania (including Benefit Online)	35	35
Finland	19	19
Slovakia	18	18
Poland (including Timex)	17	17
Sweden	16	17
Czech Republic	13	13
Lithuania (EBV)	12	12
Belgium (including Merits & Benefits and Ekvita)	11	11
Portugal	6	6
Other (individually representing less than €5 million)	1	1
Europe (excl. France)	557	561
Brazil (including Repom, Embratex and Coopercard)	332	270
Mexico	45	41
Other (individually representing less than €5 million)	12	11
Latin America	389	322
United States (including CSI)	464	426
Dubai (including Mint)	30	28
Japan	8	9
Other (individually representing less than €5 million)	-	-
Rest of the World	502	463
<b>GOODWILL, NET</b>	<b>1,608</b>	<b>1,506</b>





Changes in the carrying amount of goodwill during the period presented were as follows:

<i>(in € millions)</i>	<b>First-half 2022</b>	<b>First-half 2021</b>
<b>NET GOODWILL AT BEGINNING OF PERIOD</b>	<b>1,506</b>	<b>1,457</b>
<b>Increase in gross goodwill and impact of scope changes</b>	<b>15</b>	<b>-</b>
Greenpass (acquisition)	15	-
<b>Goodwill written off on disposals for the period</b>	<b>-</b>	<b>-</b>
<b>Impairment losses</b>	<b>-</b>	<b>-</b>
<b>Currency translation adjustment</b>	<b>87</b>	<b>42</b>
<b>NET GOODWILL AT END OF PERIOD</b>	<b>1,608</b>	<b>1,499</b>

## 5.2 INTANGIBLE ASSETS



Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

Incurred expenses related to internal projects are differentiated based on whether they are incurred during the research phase or the development phase. This differentiation is essential as the financial treatment is different for the two categories.

Expenses incurred during the research phase of an internal project are not capitalized but expensed in the income statement of the period during which they occurred.

Expenses incurred during the development phase of an internal project are analyzed in order to determine whether or not they can be capitalized. If the six criteria defined by IAS 38.57 are simultaneously met, expenses can be capitalized and amortized over the period defined by the category of assets in which they are included. If not, they are expensed in the income statement of the period during which they occurred.

According to IAS 38.57, expenses may only be capitalized if the entity demonstrates the following six items:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

In accordance with the IFRIC agenda decision of March 2021 on the recognition of customization or configuration costs in a Software as a Service (SaaS) arrangement, the Group has maintained as intangible assets both specific developments that it controls based on IAS 38 capitalization criteria, and the cost of interfaces. Other previously capitalized costs that do not meet these criteria are now recognized as expenses either when they are incurred (if the services are performed internally or by a third party unrelated to the publisher of the SaaS solution) or over the term of the SaaS contract (if the

services are performed by the publisher or its subcontractor) (see Note 11 "Update on accounting standards").



<i>(in € millions)</i>	<b>June 30, 2022</b>	Dec. 31, 2021
<b>GROSS CARRYING AMOUNT</b>	1,328	1,212
Brands	65	65
Customer lists	622	586
Licenses and software	445	397
Other intangible assets	196	164
<b>ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES</b>	(600)	(535)
Brands	(11)	(11)
Customer lists	(229)	(201)
Licenses and software	(303)	(268)
Other intangible assets	(57)	(55)
<b>NET CARRYING AMOUNT</b>	<b>728</b>	<b>677</b>

#### Changes in the carrying amount of intangible assets



<i>(in € millions)</i>	<b>First-half 2022</b>	First-half 2021
<b>CARRYING AMOUNT AT BEGINNING OF PERIOD</b>	<b>677</b>	<b>655</b>
Intangible assets of newly consolidated companies	1	-
Internally generated assets	50	43
Additions	12	-
Disposals	(3)	-
Amortization for the period	(49)	(43)
Impairment losses for the period	-	-
Currency translation adjustment	41	19
Reclassifications	(1)	-
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>728</b>	<b>674</b>

## 5.3 PROPERTY, PLANT AND EQUIPMENT



Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, in accordance with IAS 16 – Property, Plant and Equipment. Assets under construction are measured at cost less any accumulated impairment losses. They are depreciated from the date when they are put in service.



(in € millions)	June 30, 2022			Dec. 31, 2021		
	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Land	2	-	2	2	-	2
Buildings	19	(8)	11	19	(8)	11
Fixtures and fittings	29	(19)	10	29	(18)	11
Equipment and furniture	108	(86)	22	104	(83)	21
Assets under construction	2	-	2	2	-	2
Right-of-use assets	197	(89)	108	186	(77)	109
<b>Total</b>	<b>357</b>	<b>(202)</b>	<b>155</b>	<b>342</b>	<b>(186)</b>	<b>156</b>



Changes in the carrying amount of property, plant and equipment during the period were as follows:

(in € millions)	First-half 2022	First-half 2021
CARRYING AMOUNT AT BEGINNING OF PERIOD	156	148
Property, plant and equipment of newly consolidated companies	-	-
Additions to property, plant and equipment	4	4
Right-of-use assets	13	32
Disposals and retirements	-	-
Depreciation for the period	(21)	(20)
Currency translation adjustment	3	1
Reclassifications	-	-
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>155</b>	<b>165</b>

## 5.4 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

At June 30, 2022, this item consisted mainly of AGES (AGES Maut System GmbH & Co KG and Ages International GmbH & Co KG), MSC (Mercedes Service Card Beteiligungs GmbH and Mercedes Service Card GmbH & Co KG) and Freto.

### Change in investments in equity-accounted companies:

<i>(in € millions)</i>	<b>First-half 2022</b>	First-half 2021
Investments in equity-accounted companies at beginning of period	67	64
Additions to investments in equity-accounted companies	-	3
Share of net profit from equity-accounted companies	1	4
Capital increase	-	1
Impairment of investments in equity-accounted companies	-	-
Currency translation adjustment	1	-
Changes in consolidation scope	-	-
Dividends received from investments in equity-accounted companies	(10)	(14)
<b>Investments in equity-accounted companies at end of period</b>	<b>59</b>	<b>58</b>

## 5.5 DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

<i>(in € millions)</i>	<b>First-half 2022</b>	First-half 2021
Amortization of fair value adjustments to assets acquired in business combinations	(18)	(17)
Amortization of intangible assets	(31)	(26)
Depreciation of property, plant and equipment	(7)	(6)
Depreciation of right-of-use assets	(14)	(14)
<b>TOTAL</b>	<b>(70)</b>	<b>(63)</b>

# NOTE 6 FINANCIAL ITEMS

## 6.1 NET FINANCIAL EXPENSE



<i>(in € millions)</i>	<b>First-half 2022</b>	First-half 2021
Gross borrowing cost	(26)	(26)
Hedging instruments	10	10
Income from cash and cash equivalents and other marketable securities	12	10
<b>Net borrowing cost</b>	<b>(4)</b>	<b>(6)</b>
Net foreign exchange gains (losses)	-	(1)
Other financial income	2	2
Other financial expenses	(15)	(4)
<b>NET FINANCIAL EXPENSE</b>	<b>(17)</b>	<b>(9)</b>

Gross borrowing costs for first-half 2022 include amortization of bond issuance costs for €5 million and interest income on Neu CP issued at negative interest rates.

Hedging instruments relate to expenses and income on interest rate swaps as presented in Note 6.6 "Financial instruments and market risk management".

Other financial income and expenses mainly concern bank fees, banking expenses, miscellaneous interest, and financial provisions.

## 6.2 FINANCIAL ASSETS



IFRS 9 defines financial assets as a contractual right to receive an economic benefit that will ultimately result in the receipt of cash flows or an equity instrument. Financial assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition of the asset. The initial fair value corresponds to the asset's purchase price.

### 6.2.1 Non-current financial assets

Non-current financial assets consist mainly of equity interests in non-consolidated companies, loans, and deposits and guarantees.



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Equity interests	99	(8)	91	83	(3)	80
Deposits and guarantees	21	-	21	19	-	19
Other non-current financial assets	32	(1)	31	42	(1)	41
<b>NON-CURRENT FINANCIAL ASSETS</b>	<b>152</b>	<b>(9)</b>	<b>143</b>	<b>144</b>	<b>(4)</b>	<b>140</b>

### 6.2.2 Current financial assets



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Other current financial assets	12	(5)	7	9	(5)	4
Derivatives	-	-	-	39	-	39
<b>CURRENT FINANCIAL ASSETS</b>	<b>12</b>	<b>(5)</b>	<b>7</b>	<b>48</b>	<b>(5)</b>	<b>43</b>

Other current financial assets primarily represent short-term loans with external counterparties.

Derivatives are recognized according to IFRS 9 – Financial Instruments. Their accounting treatment is detailed in Note 6.6 “Financial instruments and market risk management” to the consolidated financial statements for the year ended December 31, 2021.

## 6.3 CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES



Both cash and cash equivalents and other marketable securities are taken into account for the calculation of net debt.



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Cash at bank and on hand	677	-	677	937	-	937
Term deposits and equivalent – less than 3 months	394	-	394	503	-	503
Bonds and other negotiable debt securities	58	-	58	18	-	18
Mutual fund units in cash – less than 3 months	31	-	31	36	-	36
<b>CASH AND CASH EQUIVALENTS</b>	<b>1,160</b>	<b>-</b>	<b>1,160</b>	<b>1,494</b>	<b>-</b>	<b>1,494</b>
Term deposits and equivalent – more than 3 months	1,191	(1)	1,190	853	(1)	852
Bonds and other negotiable debt securities	292	-	292	332	-	332
Mutual fund units in cash – more than 3 months	1	-	1	1	-	1
<b>OTHER MARKETABLE SECURITIES</b>	<b>1,484</b>	<b>(1)</b>	<b>1,483</b>	<b>1,186</b>	<b>(1)</b>	<b>1,185</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES</b>	<b>2,644</b>	<b>(1)</b>	<b>2,643</b>	<b>2,680</b>	<b>(1)</b>	<b>2,679</b>

## 6.4 DEBT AND OTHER FINANCIAL LIABILITIES



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Convertible bonds	885	-	885	884	-	884
Non-bank debt	1,958	32	1,990	2,134	228	2,362
Bank borrowings	3	16	19	5	19	24
Neu CP	-	301	301	-	-	-
Bank overdrafts	-	171	171	-	101	101
<b>DEBT</b>	<b>2,846</b>	<b>520</b>	<b>3,366</b>	<b>3,023</b>	<b>348</b>	<b>3,371</b>
Lease liabilities	84	29	113	86	28	114
Deposits and guarantees	24	3	27	22	4	26
Put options over non-controlling interests	56	2	58	9	1	10
Derivatives	134	4	138	-	10	10
Other	-	4	4	3	4	7
<b>OTHER FINANCIAL LIABILITIES</b>	<b>298</b>	<b>42</b>	<b>340</b>	<b>120</b>	<b>47</b>	<b>167</b>
<b>DEBT AND OTHER FINANCIAL LIABILITIES</b>	<b>3,144</b>	<b>562</b>	<b>3,706</b>	<b>3,143</b>	<b>395</b>	<b>3,538</b>

The contractual documents for debt and other financial liabilities do not include any particular covenants or clauses that could significantly change the terms.

### Debt

- ▶ Convertible bonds and non-bank debt

At June 30, 2022, the Group's gross outstanding bond position amounted to €3,000 million, which breaks down as follows:

Issuance date	Amount in €m	Coupon	Maturity
June 14, 2021	400*	0%	7 years June 14, 2028
June 18, 2020	600	1.375%	9 years June 18, 2029
September 6, 2019	500*	0%	5 years September 6, 2024
December 6, 2018	500	1.875%	7 years & 3 months March 6, 2026
March 30, 2017	500	1.875%	10 years March 30, 2027
March 10, 2015	500	1.375%	10 years March 10, 2025
<b>Gross outstanding bond position</b>	<b>3,000</b>		

\* Convertible bonds (OCEANES).

#### Bonds convertible into and/or exchangeable for new and/or existing shares (OCEANES) maturing in 2024

Following the distribution to Edenred SE shareholders of a dividend of €0.90 per share, paid out on June 9, 2022, the conversion/exchange ratio will be increased from 1 Edenred SE share per OCEANE to 1.001 Edenred SE shares per OCEANE, in accordance with the provisions of section 2.6.B.10 of the Terms and Conditions. This change will have no material impact on the financial statements.

#### Sustainability-linked bonds convertible into and/or exchangeable for new and/or existing shares (OCEANES) maturing in 2028

Following the distribution to Edenred SE shareholders of a dividend of €0.90 per share, paid out on June 9, 2022, the conversion/exchange ratio will be increased from 1 Edenred SE share per OCEANE to 1.003 Edenred SE shares per OCEANE, in accordance with the provisions of section 2.6.B.10 of the Terms and Conditions. This change will have no material impact on the financial statements.

At December 31, 2021, the gross outstanding bond position amounted to €3,225 million.

Issuance date	Amount in €m	Coupon	Maturity
June 14, 2021	400*	0%	7 years June 14, 2028
June 18, 2020	600	1.375%	9 years June 18, 2029
September 6, 2019	500*	0%	5 years September 6, 2024
December 6, 2018	500	1.875%	7 years & 3 months March 6, 2026
March 30, 2017	500	1.875%	10 years March 30, 2027
March 10, 2015	500	1.375%	10 years March 10, 2025
May 23, 2012	225	3.75%	10 years May 23, 2022
<b>Gross outstanding bond position</b>	<b>3,225</b>		

\* Convertible bonds (OCEANES).



## Other non-bank debt

In December 2019, a €105 million portion of the €250 million Schuldschein private placement was redeemed ahead of maturity. In June 2021, a further €113 million was redeemed at maturity. There was €32 million outstanding under this loan at June 30, 2022:

Issuance date	Rate	Amount in €m	Maturity
June 29, 2016	1.47% Fixed	32	7 years June 29, 2023
<b>Total Schuldschein loan</b>		<b>32</b>	

At December 31, 2021, there was also €32 million outstanding under the Schuldschein loan.

## Bank borrowings

Outstanding bank borrowings at June 30, 2022 amounted to €19 million.

## Neu CP and Neu MTN programs

At June 30, 2022, current debt outstanding under the Negotiable European Commercial Paper (Neu CP) program stood at €301 million, out of a total authorized amount of €750 million.

The €250 million Negotiable European Medium Term Note (Neu MTN) program had not been used at that date.

## Maturity analysis – carrying amounts

At June 30, 2022



(in € millions)	First-half 2023	First-half 2024	First-half 2025	First-half 2026	First-half 2027	First-half 2028 and beyond	June 30, 2022
Convertible bonds	-	-	500	-	-	385	885
Non-bank debt	32	-	468	478	471	541	1,990
Bank borrowings	16	3	-	-	-	-	19
Neu CP	301	-	-	-	-	-	301
BANK OVERDRAFTS	171	-	-	-	-	-	171
<b>DEBT</b>	<b>520</b>	<b>3</b>	<b>968</b>	<b>478</b>	<b>471</b>	<b>926</b>	<b>3,366</b>
Lease liabilities	29	24	17	14	12	17	113
Deposits and guarantees	3	24	-	-	-	-	27
Put options over non-controlling interests	2	5	-	44	1	6	58
Derivatives	4	5	20	25	28	56	138
Other	4	0	-	-	-	-	4
<b>OTHER FINANCIAL LIABILITIES</b>	<b>42</b>	<b>58</b>	<b>37</b>	<b>83</b>	<b>41</b>	<b>79</b>	<b>340</b>
<b>TOTAL</b>	<b>562</b>	<b>61</b>	<b>1,005</b>	<b>561</b>	<b>512</b>	<b>1,005</b>	<b>3,706</b>

At December 31, 2021



(in € millions)	2022	2023	2024	2025	2026	2027 and beyond	Dec. 31, 2021
Convertible bonds	-	-	500	-	-	384	884
Non-bank debt	228	32	-	488	510	1,104	2,362
Bank borrowings	19	4	1	-	-	-	24
Neu CP	-	-	-	-	-	-	-
Bank overdrafts	101	-	-	-	-	-	101
<b>DEBT</b>	<b>348</b>	<b>36</b>	<b>501</b>	<b>488</b>	<b>510</b>	<b>1,488</b>	<b>3,371</b>
Lease liabilities	28	22	17	15	12	20	114
Deposits and guarantees	4	22	-	-	-	-	26
Put options over non-controlling interests	1	-	2	-	-	7	10
Derivatives	10	-	-	-	-	-	10
Other	4	3	-	-	-	-	7
<b>OTHER FINANCIAL LIABILITIES</b>	<b>47</b>	<b>47</b>	<b>19</b>	<b>15</b>	<b>12</b>	<b>27</b>	<b>167</b>
<b>TOTAL</b>	<b>395</b>	<b>83</b>	<b>520</b>	<b>503</b>	<b>522</b>	<b>1,515</b>	<b>3,538</b>

## 6.5 NET DEBT AND NET CASH



(in € millions)	June 30, 2022	Dec. 31, 2021
Non-current debt	2,846	3,023
Other non-current financial liabilities	298	120
Current debt	349	247
Other current financial liabilities	42	47
Bank overdrafts	171	101
<b>DEBT AND OTHER FINANCIAL LIABILITIES</b>	<b>3,706</b>	<b>3,538</b>
Other current financial assets	(7)	(4)
Derivatives	-	(39)
Other marketable securities	(1,483)	(1,185)
Cash and cash equivalents	(1,160)	(1,494)
<b>CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS</b>	<b>(2,650)</b>	<b>(2,722)</b>
<b>NET DEBT</b>	<b>1,056</b>	<b>816</b>

Other non-current and current financial liabilities include lease liabilities recognized in application of IFRS 16 in an amount of €113 million.

(in € millions)	First-half 2022	First-half 2021
Net debt at beginning of period	816	1,115
Increase (decrease) in non-current debt	(177)	121
Increase (decrease) in other non-current financial liabilities	178	25
Decrease (increase) in other marketable securities	(298)	157
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	404	(185)
Increase (decrease) in other financial assets and liabilities	133	216
<b>Increase (decrease) in net debt</b>	<b>240</b>	<b>334</b>
<b>NET DEBT AT END OF PERIOD</b>	<b>1,056</b>	<b>1,449</b>

## 6.6 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

### Interest rate risk: fixed/variable interest rate analysis

#### ▸ Hedging impact

- Before hedging

Debt before interest rate hedging breaks down as follows:



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt <sup>(1)</sup>	3,194	1.0%	100%	3,270	1.4%	100%
Variable-rate debt	1	6.0%	0%	-	0.0%	0%
<b>DEBT*</b>	<b>3,195</b>	<b>1.0%</b>	<b>100%</b>	<b>3,270</b>	<b>1.4%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

(1) The rates mentioned for fixed-rate debt correspond to the contractual rates (1.375% and 1.875%) applied to the exact number of days in the year divided by 360.

- After hedging

Debt after interest rate hedging breaks down as follows:



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt	1,339	0.2%	42%	1,254	0.6%	38%
Variable-rate debt	1,856	1.0%	58%	2,016	0.8%	62%
<b>DEBT*</b>	<b>3,195</b>	<b>0.7%</b>	<b>100%</b>	<b>3,270</b>	<b>0.7%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

## Foreign exchange risk: currency analysis

### ▸ Hedging impact

- Before hedging

Debt before currency hedging breaks down as follows:



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3,185	1.0%	100%	3,260	1.3%	100%
Other currencies	10	6.9%	0%	10	6.7%	0%
<b>DEBT*</b>	<b>3,195</b>	<b>1.0%</b>	<b>100%</b>	<b>3,270</b>	<b>1.4%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

- After hedging

Debt after currency hedging breaks down as follows:



(in € millions)	June 30, 2022			Dec. 31, 2021		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3,148	0.6%	99%	3,227	0.7%	99%
Other currencies	47	4.1%	1%	43	2.6%	1%
<b>DEBT*</b>	<b>3,195</b>	<b>0.7%</b>	<b>100%</b>	<b>3,270</b>	<b>0.7%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

Interest rate hedges include derivatives in the form of swaps that transform a fixed rate into a variable rate over a euro-denominated debt initially issued at a fixed rate. The derivatives are therefore variable-for-fixed swaps and classified as fair value hedges under IFRS 9.

These interest rate swaps represent a total notional amount of €1,982 million relating to an underlying debt of €2,132 million. At June 30, 2022, the derivatives had a fair value of negative €118 million, recorded in liabilities.

Changes in the fair value of the hedges have no material impact on the income statement because they qualify for hedge accounting under IFRS.

## NOTE 7 INCOME TAX – EFFECTIVE TAX RATE

The effective tax rate is calculated based on:

- profit before tax;
- income tax expense adjusted for the tax on dividends, withholding tax, utilization of tax loss carryforwards and non-recurring items.

Based on these calculations, the effective tax rate changed from 33.3% in first-half 2021 to 31.2% in the six months to June 30, 2022.

## NOTE 8 EARNINGS PER SHARE



At June 30, 2022, the Company's share capital was made up of 248,588,059 shares.

At June 30, 2022, the number of shares outstanding and the weighted average number of shares outstanding broke down as follows:

<i>(in shares)</i>	<b>First-half 2022</b>	<b>First-half 2021</b>
SHARE CAPITAL AT END OF PERIOD	249,588,059	249,588,059
<b>Number of shares outstanding at beginning of period</b>	<b>248,536,041</b>	<b>245,905,514</b>
Number of shares issued for dividend payments	-	3,004,708
Number of shares issued on conversion of performance share plans	237,271	282,008
Number of shares issued on conversion of stock option plans	-	-
Number of shares canceled	(237,271)	(282,008)
<b>Issued shares at period-end excluding treasury shares</b>	<b>-</b>	<b>3,004,708</b>
Treasury shares not related to the liquidity contract	479,123	280,227
Treasury shares under the liquidity contract	191,779	(55,393)
<b>Treasury shares</b>	<b>670,902</b>	<b>224,834</b>
NUMBER OF SHARES OUTSTANDING AT END OF PERIOD	249,206,943	249,135,056
Adjustment to calculate weighted average number of issued shares	(9,207)	(2,654,159)
Adjustment to calculate weighted average number of treasury shares	(315,200)	14,784
<b>Total weighted average adjustment</b>	<b>(324,407)</b>	<b>(2,639,375)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR</b>	<b>248,882,536</b>	<b>246,495,681</b>

In addition, 1,592,013 performance shares were granted to employees between 2020 and 2022. Conversion of all of these potential shares, and of the 14,353,082 convertible bonds, would increase the number of shares outstanding to 265,152,038.

Based on the above number of potential shares and the average Edenred share price calculated:

- from January 1, 2022 to June 30, 2022 for Plans 12, 13, 14 and 15 (€43.36);
- from February 23, 2022 to June 30, 2022 for Plan 16 (€44.84);

The diluted weighted average number of shares outstanding at June 30, 2022 was 263,976,483.



	First-half 2022	First-half 2021
<b>Net profit attributable to owners of the parent (in € millions)</b>	<b>170</b>	<b>133</b>
Weighted average number of issued shares (in thousands)	249,579	246,934
Weighted average number of treasury shares (in thousands)	(696)	(438)
<b>Number of shares used to calculate basic earnings per share (in thousands)</b>	<b>248,883</b>	<b>246,496</b>
<b>BASIC EARNINGS PER SHARE (in €)</b>	<b>0.68</b>	<b>0.54</b>
Number of shares resulting from the exercise of stock options (in thousands)	-	-
Number of shares resulting from performance share grants (in thousands)	740	845
Convertible bonds (in thousands)	14,353	14,353
<b>Number of shares used to calculate diluted earnings per share (in thousands)</b>	<b>263,976</b>	<b>261,694</b>
<b>DILUTED EARNINGS PER SHARE (in €)</b>	<b>0.64</b>	<b>0.51</b>

## NOTE 9 EMPLOYEE BENEFITS

### 9.1 SHARE-BASED PAYMENTS

#### ► Main characteristics

Performance shares vest when the performance conditions are fulfilled. However, if the grantee is no longer employed by the Group on the vesting date, depending on the reason for his or her departure the performance share rights may be forfeited or the number of rights may be reduced proportionately to his or her actual period of service since the grant date. The total number of vested shares may not exceed 100% of the initial grant.

Under the three-year Plan 16, the 646,845 shares granted on February 23, 2022 will vest on February 23, 2025 provided that several performance conditions are met.

Fulfillment of the performance conditions for the plan will be assessed over the period from January 1, 2022 to December 31, 2024, based on the degree to which the following objectives have been met:

(i) two internal performance objectives, which will determine 75% of the total grant and are linked to growth in:

- EBITDA,
- the three CSR criteria (diversity, greenhouse gas emissions and nutrition);

(ii) one external (market) performance objective, which will determine 25% of the total grant and is linked to:

- Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index.

Depending on the actual percentage of fulfillment of each of the plan's three performance conditions, the percentage of fulfillment of each performance condition may reach a maximum of 150% and the

conditions can offset each other, when one condition is exceeded and another is not met or only partially met. However, the total number of vested shares may not exceed 100% of the initial amount of shares granted.

Performance shares vest subject to the fulfillment of performance conditions and provided that the grantees are still employed by the Group at the end of the vesting period.

## ► Fair value of performance share plans



The fair value of performance shares corresponds to the share price on the day of the grant, net of the expected dividend payment during the vesting period.

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity.

For Plan 16, the fair value amounts to €36.68 per performance share, compared with a share price of €40.57 on February 23, 2022, the grant date.

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. The total expense recognized in respect of the 2022 plan amounted to €2 million in first-half 2022.

# NOTE 10 OTHER PROVISIONS AND OBLIGATIONS

## 10.1 OTHER INCOME AND EXPENSES



To make the consolidated financial statements easier to read, certain specific items of income and expense are reported under "Other income and expenses". This item is used only for income and expenses:

- related to a major event that occurred during the reporting period; and
- whose impact, if it were not presented separately from that of other transactions, would distort the understanding of the Group's underlying performance by users of the financial statements.

Other income and expenses can be analyzed as follows:



<i>(in € millions)</i>	<b>First-half 2022</b>	First-half 2021
Movements in restructuring provisions	3	-
Restructuring and reorganization costs	(6)	(3)
<b>Restructuring expenses</b>	<b>(3)</b>	<b>(3)</b>
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	-
<b>Impairment of assets</b>	<b>-</b>	<b>-</b>
Capital gains and losses	(1)	(2)
Reclassification of currency translation adjustments	-	-
Movements in provisions	-	-
Non-recurring gains (losses)	(5)	(2)
<b>Other</b>	<b>(6)</b>	<b>(4)</b>
<b>TOTAL OTHER INCOME AND EXPENSES*</b>	<b>(9)</b>	<b>(7)</b>

\* Net cash costs included under this caption amounted to €7 million in first-half 2022 and €7 million in first-half 2021.

Other income and expenses in first-half 2022 were primarily as follows:

- restructuring expenses for €3 million;
- recognition of a €5 million loss during a platform migration in Mexico and the transfer of the historical balances of client cards.

Other income and expenses in first-half 2021 were primarily as follows:

- restructuring expenses for €3 million;
- expenses related to disputes for €2 million.



## 10.2 PROVISIONS



Movements in non-current provisions between January 1, 2022 and June 30, 2022 can be analyzed as follows:

(in € millions)	Dec. 31, 2021	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	June 30, 2022
- Provisions for pensions and loyalty bonuses	26	(11)	1	(1)	-	-	-	15
- Provisions for claims and litigation and other contingencies	8	-	1	-	(1)	1	-	9
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>34</b>	<b>(11)</b>	<b>2</b>	<b>(1)</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>24</b>



Movements in current provisions between January 1, 2022 and June 30, 2022 can be analyzed as follows:

(in € millions)	Dec. 31, 2021	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	June 30, 2022
- Restructuring provisions	5	-	1	(3)	(1)	-	1	3
- Provisions for claims and litigation and other contingencies	9	-	2	(3)	-	-	(2)	6
<b>TOTAL CURRENT PROVISIONS</b>	<b>14</b>	<b>-</b>	<b>3</b>	<b>(6)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>9</b>

Taken individually, all ongoing disputes are immaterial, with the exception of those presented in Note 10.3 "Claims, litigation and tax risk".

## 10.3 CLAIMS, LITIGATION AND TAX RISK

In the normal course of its business, the Group is involved in a certain number of disputes with third parties or with judicial or administrative authorities (including tax authorities).

### Antitrust dispute in France

In 2015, the French company Octoplus and three hospitality unions filed a complaint with the French Antitrust Authority against several French companies in the meal voucher sector, including Edenred France. The Antitrust Authority's board met on April 5, 2016 and on July 7, 2016 to hear all the parties concerned as well as the investigation departments. On October 6, 2016, the Antitrust Authority decided to pursue its investigations without passing provisional measures against Edenred France.

On February 27, 2019, the investigation departments provided Edenred France with their final report, which contained two complaints dating from the early 2000s concerning information sharing through the Centrale de Remboursement des Titres (CRT) and the use of the CRT to lock up the meal voucher market. However, the Antitrust Authority dismissed all allegations made by Octoplus and the three hospitality unions. Edenred submitted its observations to the Antitrust Authority on April 29, 2019. On December 17, 2019, the Antitrust Authority announced that it had decided to fine Edenred €157 million on the grounds of the above two complaints. Edenred received an official request from the French tax authorities to pay the fine. In response, Edenred requested a stay of payment until March 31, 2021 with no impact on the fine, by providing a surety in the same amount. On March 31, 2021, Edenred paid the fine in an amount of €157 million and canceled the related surety. The associated asset has been recognized in other receivables.

Edenred believes that the Antitrust Authority has misunderstood the competitive situation in the French meal voucher market and the CRT's role in this market. Edenred has therefore appealed. Following the appeal hearing on November 18, 2021, the appeal court is expected to hand down its decision on November 24, 2022. Based on the opinion of its legal advisers, Edenred believes that it has strong arguments to challenge the Antitrust Authority's decision. Therefore, the Company has not set aside a related provision.

# NOTE 11 UPDATE ON ACCOUNTING STANDARDS

## 11.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FOR REPORTING PERIODS BEGINNING ON OR AFTER JANUARY 1, 2022

The following standards, amendments and interpretations adopted by the European Union became effective on January 1, 2022:

- Amendment to IAS 16 – Proceeds before Intended Use;
- Amendment to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- Amendment to IFRS 3 – Reference to the Conceptual Framework.

These amendments are effective for annual reporting periods beginning on or after January 1, 2022.

Their application had no material impact on the periods presented.

In addition, the financial statements presented in 2022 take into account the IFRIC agenda decision on the costs of configuring or customizing a supplier's application software in a Software as a Service (SaaS) arrangement. The impact of this interpretation amounted to €2 million and was recognized in equity at January 1, 2022.

## 11.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AFTER 2022

Standards, amendments and interpretations published by the IASB but not yet adopted by the European Union

The following standards, amendments and interpretations published by the IASB are not yet effective in 2022:

- IFRS 17 – Insurance Contracts;
- Amendments to IFRS 17;
- Amendments to IAS 1 – Disclosure of Accounting Policies;
- Amendments to IAS 8 – Definition of Accounting Estimates.

The Edenred group chose not to early adopt these standards, amendments and interpretations at January 1, 2022. Their application is currently being analyzed.

# 3

## AUDITORS' REVIEW REPORT ON THE HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

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Versailles et du Centre

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

# STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

For the period from January 1 to June 30, 2022

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Edenred, for the period from January 1st to June 30th, 2022.
- the verification of the information presented in the half-yearly management report.

These condensed half yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information presented in the half yearly management report on the condensed half yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense, July 26, 2022

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIÉS

Guillaume CRUNELLE

ERNST & YOUNG Audit

Pierre JOUANNE

# 4

## DECLARATION BY PERSONS RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

### STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2022 HALF-YEAR FINANCIAL REPORT

I declare, to the best of my knowledge, that the condensed interim financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the Company and of all of the companies included in the scope of consolidation, and that the interim management report on page 3 includes a true and fair review of the significant events of the first six months of the year, of their impact on the interim financial statements and of the main related-party transactions as well as an overview of the main risks and uncertainties in the remaining six months of the year.

Issy-les-Moulineaux – July 26, 2022

Bertrand Dumazy

Chairman and Chief Executive Officer