DIGITAL PAYMENTS
FOR A TRUSTED WORLD

2022 FINANCIALS

CONTENTS

A. GROUP OVERVIEW

A.1. Business profile

Worldline is a European leader in the payments and transactional services industry and the #4 player worldwide. Worldline is at the forefront of the digital revolution that is shaping new ways of paying, living, doing business and building relationships.

Worldline's solutions ensure secure payments and trusted transactional services along the entire payments value chain, enabling sustainable economic growth. The Group provides an extensive range of merchant acquiring, payment processing and business solutions to financial institutions, merchants, corporations and government agencies. Its continuously growing portfolio of solutions is environmentally friendly and supports trust and social transformation.

Worldline builds long-term partnerships with its customers and provides solutions that help them increase the trust of their end-user customers. The Group typically delivers services under long-term contracts where it receives fees for the initial implementation of the solution as well as recurring revenue over the life of the agreement based on transaction volumes or values. With a strong culture of innovation, Worldline helps clients anticipate the future, seize new opportunities and navigate their challenges with confidence.

Worldline operates in more than 40 countries. As a result of its acquisition of Ingenico in 2020, the Group has exceptional reach in Continental Europe, including a leadership position in Germany, a strong footprint in the Nordics and unrivalled access to French banks and merchants, in addition to its established leadership positions in Benelux, Switzerland and Austria as well as exposure to merchants in Latin American and Asia-Pacific countries.

As at December 31, 2022 Worldline employed c. 18,000 staff worldwide. In the year it generated total revenue of € 4.4 billion, OMDA of € 1,133 million and Free Cash Flow of € 520 million.

Worldline's vision is to enable sustainable economic growth and reinforce trust and security in our societies.

Its Global Business Lines (GBLs) work together to drive transformation across the payments landscape to create sustainable value for its clients, investors, employees and for all its stakeholders.

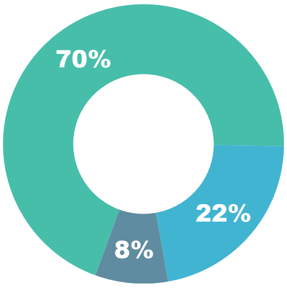
- The **Merchant Services** GBL offers a unique combination of payment, digital and transactional expertise across a quite unique pan-European and global reach. It enables merchants to increase their sales and enhance their customers' experience, in a secure and trusted environment. Covering the full retail value chain, online, in-store and omnichannel, this GBL is powering the global transition towards a cashless economy;
- The **Financial Services** GBL is the pan-European leader in financial processing. Financial institutions rely on its expertise to deploy transformative technologies, manage risk and fraud, optimise processes and ensure operational excellence. Investing extensively in innovative solutions for payments and transactions, this GBL enables banks to anticipate regulatory changes and transform their business models to make the most of the opportunities of the future;
- The **Mobility & e-Transactional Services** GBL goes beyond traditional payment transactions and brings Worldline's expertise in payment and regulation into new markets. Spanning products and services as diverse as trusted digitisation for regulated sectors, IoT, digital ticketing and contact centres, this GBL empowers clients to comply with regulations, secure their transactions and reinvent their customer engagement for the digital future.

The Group operates its business through a unified worldwide strategy for carrying out contracts aimed at maximising economies of scale by leveraging a combination of standard processes and tools, shared best practices and efficient use of global resources to deliver high quality services at competitive prices.

A.2. Revenue profile

A.2.1. By Global Business Line

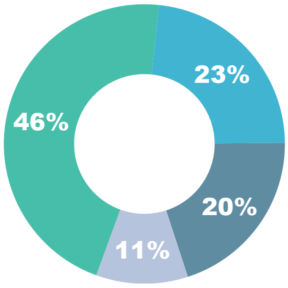
Following the acquisitions of SIX Payment Services end of 2018 and Ingenico end of 2020, Merchant Services is the largest Global Business Line of the Group, representing 70% of the Group 2022 revenue. 22% of the annual revenue was generated through Financial Services contracts, and 8% by Mobility & e-Transactional Services solutions.



(In € million)	**2022 revenue**
Merchant Services	3,041
Financial Services	958
Mobility & e-Transactional Services	365
Worldline	**4,364**

A.2.2. By Geographic areas

Europe is the Group's main operational base, generating circa 90% of total revenue in 2022.

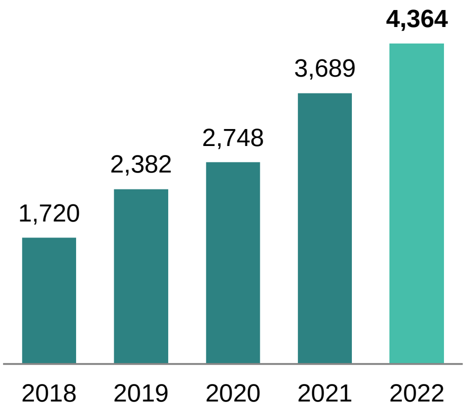


(In € million)	**2022 revenue**
Northern Europe	2,012
Central & Eastern Europe	1,014
Southern Europe	878
Others	461
Worldline	**4,364**

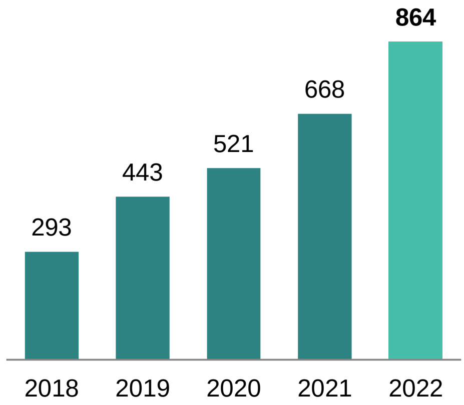
A.3. Worldline in 2022

A.3.1. Key graphs

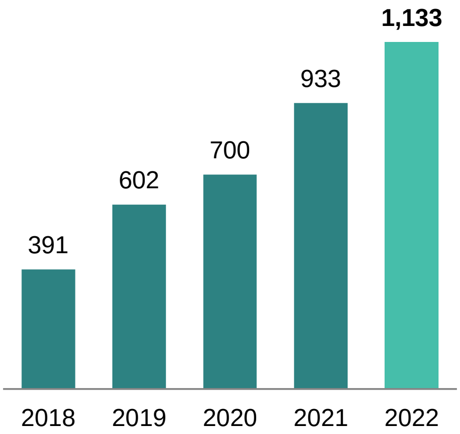
5-years revenue evolution
(in € million)



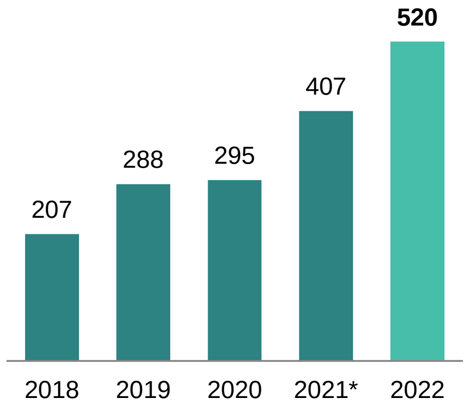
5-years operating margin evolution
(in € million)



5-years OMDA evolution
(in € million)

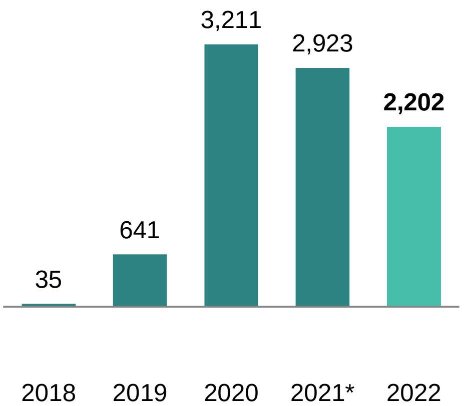


5-years free cash flow evolution
(in € million)



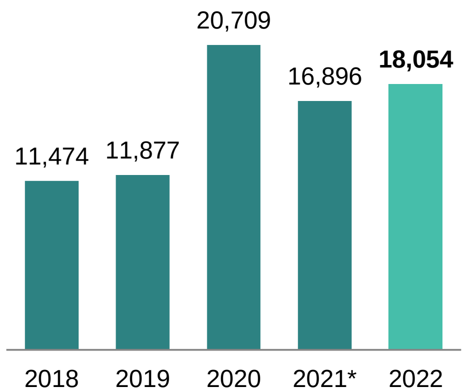
**from continued operations*

5-years net debt evolution
(in € million)



** before IFRS 5*

5-years employee evolution



** excluding 3,815 headcounts of TSS*

A.3.2. Key achievements in 2022

January

On January 4, 2022, Worldline announced the **completion of its acquisition of Axepta Italy**, as part of its European consolidation strategy. The acquisition of 80% of Axepta Italy, a significant bank acquirer in the country, and the set-up of a strategic partnership with BNL in Merchant Services in Italy are part of Worldline's strategy to expand its presence across Europe through partnerships with leading financial institutions. It follows the acquisition of Handelsbanken's card-acquiring activities in the Nordics, the acquisition of Cardlink and the agreement for the acquisition of Eurobank Merchant Acquiring activities in Greece. In the continuity of Worldline's existing partnerships with more than 17 banks and banking federations (regrouping c. 100 adherents) in Italy, the creation of a joint venture with BNL (BNL retaining a 20% ownership in Axepta Italy) is also designed to be an open vehicle for welcoming existing partners and other Italian banks willing to benefit from delivery and servicing excellence, combined with scale and competitive cost structure.

Worldline has been awarded for the second time with the "European Top Employer" 2022 prestigious certification by the Top Employers Institute, a global authority that recognises excellence in people management. This rewards its long-term commitment and efforts in settling exemplary managerial and people practices within the company. The Institute evaluation covered all Worldline's Human Resources domains through various extensive surveys and audits, enabling to assess the company's internal practices and policies in Compensation & Benefits, Learning & Development and Recruiting, also involving many stakeholders within the company.

Worldline hosted the **fourth edition of its industry-leading e-Payments Challenge** hackathon in a fully virtual format. The event was opened by a public digital show "*Navigating Digital Payments in 2030: APIs, partnerships and Customer experience*", live-streamed live from Worldline's newly created Innovation Center. The e-Payments Challenge is an annual hackathon by Worldline, bringing together worldwide payments ecosystem stakeholders, including fintechs, start-ups, banks, merchants, as well as Worldline's talented team of technology experts. Worldline's major corporate customers propose real-life scenarios and the start-ups are asked to co-create smart solutions to address these challenges, whilst leveraging Worldline's e-payments expertise and assets. Worldline selected participating Fintechs from applicants from across all disciplines of payment technology – and beyond.

February

Following the strategic review of its Terminals, Solutions & Services ("TSS") Business Line aimed at supporting its ongoing transformation and further accelerating its development, **Worldline announced having entered into exclusive talks with Apollo on the basis of a binding offer for the purchase of 100% of the shares of TSS**, comprising a € 1.7 billion upfront consideration as well as preferred shares that could reach up to € 0.9 billion in value depending of the future value creation of TSS. The contemplated transaction also encompasses the signing of a partnership agreement cementing the strategic and long-term commercial relationship between Worldline and TSS over the next 5 years.

On February 22, **Worldline announced its 2021 annual results**. All 2021 objectives were reached as Worldline's FY 2021 revenue reached € 3,689 million, representing a solid +6.8% revenue organic growth (compared to the objective to reach at least 6%) with a strong growth acceleration to +12.0% in Q4 2021. This achievement was reached thanks, in particular, to the robust growth in Merchant Services and Financial Services global business lines delivered despite Covid-19. It reflects both the widespread and rapid shift towards digital payments as well as the Group's strong positioning following the acquisition of Ingenico. Mobility & e-Transactional Services revenue also increased substantially thanks to several major projects and the recovery of the public transport sector. This strong execution also materialized in the Group's Operating Margin before Depreciation and Amortization (OMDA) reaching € 933 million in 2021; representing 25.3% of revenue, an improvement by +220 basis points compared to 2020 at constant scope and exchange rates. This solid performance compared to the objective to deliver above 200 basis points of improvement reflects the revenue growth acceleration along the year as well as the ongoing transformation and synergy plans of the combined Group. Free cash flow from continued operations in 2021 was € 407 million, up by +38.2% compared to 2020, representing a 43.6% cash conversion of OMDA (free cash flow divided by OMDA), above the objective of the year to reach circa 42%.

Worldline announced the integration of Alipay+ into its global portfolio. Through the collaboration, Worldline enhance its payment offering for in-store and E-Commerce merchants across Europe, helping them to better serve customers through expanded mobile payments and other digital payment methods. Worldline is the first acquirer to enter into a full-scale multi-country integration with Alipay+. The enhanced payments solution works with all Worldline terminals and applications, and provides the same QR code for each new digital payment method. This brings ease of use to merchants as no change is required in merchants' operations and the payment method recognition works fully automatically. Merchants from all sectors, including retail, F&B and hospitality across Europe, can simply reap the benefits by upgrading the fully integrated POS and e-Commerce solution from Worldline to enable Alipay+ acceptance, through effortless software updates with no additional investment.

March

Considering the development of the situation in Ukraine and the geopolitical context, **Worldline informed about its Group exposure to the situation in Ukraine and Russia**. The Worldline Group, in compliance with its corporate policies, immediately enforced all the international sanctions applicable to Russia and will pursue doing so as long as necessary. The Group confirmed that its business related to Russia was limited, representing only c. 1.5% of the 2021 estimated proforma annual Worldline Group's revenue on continued operations, mainly from its online acceptance business, operated from outside Russia and allowing domestic consumers to transact online with non-Russian international merchants. More broadly, while having no business exposure to Ukraine, other Eastern European neighbouring countries to Russia and Ukraine, represent only c. 1.5% of the estimated proforma annual Group's revenues in 2021 on continued operations, of which circa half of it related to transaction processing activities (Financial Services) in the Baltics. These activities are not impacted by the current conflict in Ukraine. Moreover, the Group has no significant exposure to Russian software solutions or subcontractors impacted by the ongoing sanctions or those who could be, due to its internal development policy of its own solutions.

Worldline announced its business expansion to Japan, offering credit card payment processing for merchants nationwide. An economically mature, very secure market with conservative consumer habits, Japan offers a huge growth potential for card payments. The Worldline proposition for the Japanese market is based on a strong partnership with Vesca, a leading local provider of payment solutions and network service provider (NSP). Worldline will provide transaction processing, leveraging the footprint, scale and technology of its global payment processing facilities, while Vesca is the technical enabler that acts as the acceptance layer in the country. Through this set-up, starting to accept credit cards will no longer be cumbersome for merchants, and they can do so at competitive costs.

Worldline was awarded the "Platinum" medal, the highest distinction, by EcoVadis, for the second year running, confirming the Group leadership and commitment amongst the top 1% of the most performing companies in sustainability. The overall score of 86/100, far higher than the 41.4/100 average for large companies assessed by EcoVadis, reflects Worldline's consistent commitment to sustainability through its ambitious CSR (Corporate Social Responsibility) approach supported by its TRUST 2025 transformation programme. With a strong confirmed performance on all the four ESG assessed dimensions, Worldline demonstrates its ability to implement the best practices and efficient action plans to reach its sustainability ambitions.

Worldline announced the official launch of its partnership with Microsoft Dynamics 365 Fraud Protection. The collaboration will enable Worldline's enterprise-level customers to deal with increasing challenges caused by online payment fraud. As the first provider within the payments industry to fully adopt and integrate this Microsoft fraud screening solution, Worldline is now able to offer a next-generation hybrid fraud solution that can help increase accuracy and efficiency far beyond that of traditional rules or advanced machine learning alone. Powered by adaptive AI technology the solution is able to learn and adapt to the ever-changing fraud patterns, enabling global merchants to optimise fraud detection and protect revenue. The collaboration between Worldline and Microsoft enables enterprise level customers to take advantage of the cutting-edge Dynamics 365 technology solution, from the outset, without wasting time and resource on deployment or onboarding. The result sees a truly seamless integration with no adverse impact on the overall customer experience.

April

On April 1st, 2022, Worldline announced the **completion of the acquisition of a controlling stake in the commercial acquiring business of ANZ and the creation of a 51%-49% joint-venture controlled by Worldline to operate and develop commercial acquiring services in Australia with ANZ Bank**, one of the largest banks in Asia-Pacific and Australia's 3rd largest acquirer with a c. 20% share of transaction volumes processed in Australia. The combination of ANZ's strong market position and Worldline's global scale, best-in-class technologies and payment expertise will allow the alliance to grow revenue at a double-digit rate in the coming years. This accelerated growth rate will be delivered through cross and up-sell opportunities based on innovative solutions such as digital onboarding, Alternative Payment Methods (APM), fraud detection, online and omnichannel capabilities, while leveraging the existing merchant portfolio. With annual revenue of c. € 180 million with expected double-digit organic growth CAGR over the next 5 years and an OMDA margin of c. 20% expected at closing, a robust integration and platform development program was implemented at closing with the objective to reach € 25 million additional OMDA by 2025. The synergy plan is mainly based on the re-use approach of Worldline's proven payment modules with the implementation of a targeted platform bringing innovative European market standard payment applications in Australia.

On April 27, Worldline announced its **revenue for the first quarter of 2022 reflecting a very strong start of the year**. Worldline's Q1 2022 revenue reached € 939 million, representing a strong +11.6% organic growth. This achievement was notably reached thanks to the very dynamic growth in Merchant Services at +15.8% organically, benefiting from the strong growth of acquiring MSV (up by +36% in Q1 2022 compared to the same period last year). Mobility & e-Transactional Services also contributed to growth, delivering a strong +8.4% organic growth in Q1. Financial Services was up by +2.5%, a decent performance taking into account the temporary impact from the price decrease conceded by the Group for the successful synchronous renewals of historical large contracts of Equens in Q4 2021. On the same day, the Group announced the nomination of Grégory Lambertie as Group Chief Financial Officer following the decision of Eric Heurtaux to leave the company. Gregory took his duties on May 16, 2022, succeeding to Eric Heurtaux who has successfully contributed during the last six years to the development of Worldline and the strengthening of its finance function and decided to join a privately owned Tech company. The handover between Eric and Gregory has been duly prepared and lasted until Eric's departure.

Worldline has been chosen by Monoprix to roll-out its payment platform across all 700 of its stores in 250 towns in France. The roll-out includes its six retail chains: Monoprix, monop', monop'daily, monop'beauty, monop'station and Naturalia. Monoprix has selected Worldline's omnichannel platform in order to offer its customers the most fluid and seamless payment experience across all points of contact. Worldline's omnichannel solution, combining in-store and mobile payment acceptance, backed up by its scalable platform, makes it possible to unify all payments and respond to new omnichannel consumer behaviour, by means of innovative solutions.

UniCredit, one of the major pan-European banks, has renewed the partnership with Worldline for the Open Banking Third Party Provider (TPP) service. The partnership with Worldline allows UniCredit customers to connect their accounts in other banks throughout Europe via one single application programming interface (API). This enables UniCredit to effectively offer Account Information Services (AIS) and Payment Initiation Services (PIS) and opens up a range of business opportunities for both UniCredit and its customers. UniCredit has been using Worldline's Open Banking TPP service since 2020. The partnership has been extended for another two years.

May

Worldline is deploying Open Payment on the Lyon public transport network (TCL) for SYTRAL Mobilités, France's second largest mobility organising authority, to simplify the purchasing process and offer more freedom to travellers in the 73 communes served. Deployed in France by Worldline for the first time in 2018 for the Dijon conurbation, Open Payment is revolutionising public transport travel habits in many cities around the world. This new method, which allows the use of bank cards as a ticket, is perfectly adapted to the new trends linked to the use of "contactless" payment, with an increase in its use of more than 50% in France in 2021.

Worldline announced it is one of the first payments companies to enter the Metaverse with the launch of a dedicated virtual showroom. The company aims to bridge the gap between the network of virtual worlds and the real world for e-Commerce enterprises and provide its merchants with the opportunities needed to benefit fully from the incredible potential the Metaverse has to offer. The Worldline Metaverse showroom, which went live in March 2022, is a key component in Worldline's strategy to build its presence in the Metaverse, which is seen as the next innovative social and commerce channel, and that will become more and more popular with the development of Web 3.0. The Worldline showroom is located in Decentraland in the Crypto Valley area. This very popular and central location will enable Worldline to involve and engage its network of merchants in Metaverse activities by providing a platform and creating genuine value and customer exposure for them.

June

On June 9, **Worldline held its Annual General Meeting** chaired by Mr Bernard Bourigeaud, Chairman of the Board of Directors. The General Shareholders Meeting was held physically and gathered a large quorum of 80.67%. It was broadcasted live and is available for replay on the Company's website. **All resolutions have been approved**. At the end of this General Meeting, the Board of Directors of Worldline comprises 19 Directors, including two Directors representing the employees Mrs Marie-Christine Lebert, whose term was renewed, and Mr Olivier Lorieau, who was newly appointed, one Censor and a representative of the Social and Economic Committee. With 70% of independent Directors, the composition of the Board is well-balanced and allows an adequate representation of its main shareholders and strategic partners. The Board is composed of 41% by women and of a diversity of profiles that ensures solid and complementary skills.

On June 30, **Worldline announced the completion of the acquisition of Eurobank Merchant Acquiring activities**, as part of its European consolidation strategy. Eurobank Merchant Acquiring (EBMA) is a meaningful card acquirer in the very dynamic Greek market with 21% share of transaction volumes processed in the country. EBMA manages c. 219 million transactions acquired per year representing a payment volume of c. € 7 billion from a c. 190,000 POS network operated and routed by Cardlink. The company serves a well-diversified and high-quality portfolio of 123,000 merchants of which more than 50% are SMBs in MSV terms. This acquisition represents an opportunity for Worldline to strongly expand its Merchant Services activities in this dynamic Southern European market, still driven by the shift from cash to card with a significant electronic payments adoption rate and online and e-commerce development. In parallel, the exposure to the Greek economy fueled by the travel & hospitality industry offers added growth opportunities. As part of the transaction, Worldline entered a long-term commercial partnership with Eurobank aiming to leverage its strong banking network as a key commercial channel in order to distribute Worldline's and EBMA best-in-class payment products and services to physical and online merchants.

July

Worldline and Casio enter into strategic partnership to simplify card acceptance for merchants in Japan and facilitate card payments and cashless shopping in Japan, a market with huge potential to overturn its conservative retail landscape. Through the agreement which also involves local NSP Vesca, merchants across Japan can benefit from speedy and cost-efficient card acceptance and provide their customers with a contemporary user experience.

On July 27, **Worldline announced its very strong first half 2022 results.** H1 2022 revenue reached € 2,020 million, representing a solid +12.6% revenue organic growth reached thanks to the continuous growth acceleration in Merchant Services (+17.6% organically) reflecting the widespread and rapid shift towards digital payments as well as the Group's strong positioning following the acquisition of Ingenico. Mobility & e-Transactional Services also contributed to growth acceleration, delivering a strong +10.3% organic growth in Q2 after having delivered +8.4% in Q1. Financial Services was up by +3.0% in Q2 (+2.5% in Q1) despite the temporary impact from the price decrease conceded by the Group for the successful synchronous renewals of historical large contracts of Equens done in Q4 2021. This strong execution also materialized in the Group's OMDA reaching 23.2% of revenue, an improvement by +80 basis points led by Merchant Services posting +310 basis points thanks to the acceleration of revenue growth fostering operating leverage; synergies from Ingenico. Normalized net income Group share from continued operations (excluding unusual and infrequent items, Group share, net of tax) reached € 213 million, increasing by +26.2%.

September

Worldline have been selected by the European Central Bank (ECB) for prototyping a front-end user interface for the digital euro for the specific use case "peer-to-peer offline payments" of a digital euro, which focuses on the payment between individuals. Worldline can rely on its expertise and assets to build a digital wallet supporting the physical storage of funds that can be transferred without connectivity. The aim of the prototyping exercises is to test how well the technology behind a digital euro integrates with various use-cases. Worldline is sharing the common goal of the ECB and its partners and intends to be an active participants of payment industry evolution, by contributing to strategic and potentially transformative projects such as the digital euro. Its entire corporate product portfolio can be leveraged to deliver pilots and facilitate a successful CBDC roll-out. The prototyping exercise is an important element in the ongoing two-year investigation phase of the digital euro project.

Worldline announced an agreement for the acquisition of a 40% stake in Online Payment Platform B.V., an online Payment Service Provider with a dedicated payment solution for marketplaces and platforms. Founded in 2011, Online Payment Platform (OPP) is a Dutch online PSP focusing on digital payments for marketplaces and platforms with a specific focus in the C2C segment and a strong expertise in customer support for marketplaces, including fast merchant onboarding and dispute management. OPP serves over a hundred marketplaces and platforms, such as e-Bay Kleinanzeigen, Marktplaats (both part of Adevinta), Gumtree, Royal FloraHolland (one of the largest flowers auction companies in the world) and PayPal. The transaction enriches the growth profile of Worldline, and enables synergy for both parties involved through Worldline's sale infrastructure. This transaction is perfectly in line with Worldline's strategic roadmap as it expands its exposure into e-commerce and brings a proven technological brick with a unique solution built from the ground up.

October

Worldline announced having successfully completed on September 30, 2022, the sale of its Terminals, Solutions & Services ("TSS") business line to Apollo Funds. While this transaction is expected to support the standalone company, now operating exclusively as Ingenico, in its transformation plan, it also marks a new important milestone in Worldline's strategy. It simplifies the Group's structure and further increase its focus on core payment services. The proceeds from this disposal will allow Worldline to further accelerate its next development phase and to anchor the Group's leadership in payments services. Under the terms of the transaction, Worldline can benefit from future value creation opportunities via the ownership of preferred shares. This structure allows to align interests between Worldline and the Apollo Funds. Last, this transaction also encompasses a 5 years partnership between Worldline and Ingenico.

Lufthansa Group selected Worldline as global payments provider. The partnership will give Lufthansa Group the possibility to onboard a selection of Worldline solutions, from payment methods to consolidated reporting capabilities and integration with their core platforms. Worldline's vast experience in acquiring for airlines and its expertise in the travel industry will also help ensure that the Lufthansa Group is best placed to offset and mitigate the risks and challenges that have emerged in recent years across the sector. The Lufthansa Group will make use of Worldline's unique TravelHub solution, a single scalable connection providing access to over 150 payment methods and currencies, multi-acquiring, tokenisation and a range of fraud services all through a single reporting and settlement channel.

Worldline announced its **revenue for the third quarter of 2022** which reached € 1,158 million, representing a strong +10.0% organic growth. This achievement was notably reached thanks to the strong commercial dynamics in Merchant Services posting a +13.6% revenue organic growth, fuelled by market share gains and volumes growth. Mobility & e-Transactional Services also contributed to growth with a positive underlying trend on a high comparison basis. Financial Services was up by +1.5%, a performance in line with the trajectory anticipated for the full year.

Worldline announced the **acquisition of a 55% stake in SoftPos.eu fintech and the launch a new offer for merchants**, *Worldline Tap on Mobile*. SoftPos.eu is a Warsaw-based fintech that converts Android devices into secure payment terminals. This acquisition fully embeds Worldline's objective to provide payment solutions that are adapted to all forms of commerce and serve the business ambitions of its clients. Based on SoftPos.eu, Worldline launched a new product internationally: *Worldline Tap on Mobile*, a unique end-to-end solution based on Android application that allows all merchants – from micro to large – to accept payments using a smartphone, tablet, or enterprise device through one single tap. The solution is designed to accept small amounts simply by "tap" but also larger amounts with PIN entry on the screen.

November

Worldline announced the signing of a binding agreement for the **acquisition of Banco Desio's merchant acquiring activities** and the planned set-up of a commercial partnership aiming to leverage Banco Desio's banking network in order to distribute Worldline's payment products and services to merchant customers of the bank in Italy. Following the acquisition of Axepta Italy early 2022 and the set-up of the Worldline MS Italy joint venture, this transaction is fully in line with Worldline's strategy to reinforce its presence in Italy, a highly attractive and strategic market for Worldline.

According to the latest rating by Moody's ESG Solutions, **Worldline strengthened its performance in Corporate Social Responsibility and confirmed its leadership in sustainability**. With a 1-point increase to its overall score compared to last year, Worldline continually pursues its ambition to meet its most critical CSR challenges in the areas of business, people, ethics, supply chain, the environment, and local communities. Through its continuous improvement approach supported by its ambitious Trust 2025 transformation programme, Worldline progresses one place in the ranking and is 4th amongst the top five businesses in the European IT & Software services sector. According to Moody's, Worldline's ESG scores are significantly higher than the sector's average in all three areas.

December

Worldline has been selected as partner and payments provider to Wizz Air, Europe's fastest growing airline and most environmentally sustainable airline globally. Building on its strong heritage in the Airlines & Travel industry, Worldline will deploy its comprehensive payment services solution to meet Wizz Air's unique requirements, as it has for many of the largest and most multi-faceted airlines in the sector.

Worldline brings Express Transit for Apple Pay to France's largest Open Payment network. Passengers in Lyon (France) can now travel on public transports using Express Transit for Apple Pay. From today, passengers can just tap their iPhone or Apple Watch on the transit readers and go.

Worldline launched 'Buy Now Pay Later' service in travel payments. This new service helps satisfy rapidly increasing customer demand in the travel sector for 'Buy Now Pay Later' (BNPL) payments. The company has partnered with leading travel payment provider Fly Now Pay Later and the joint offering is available through Worldline's existing TravelHub payment solution.

B. FINANCIALS

B.1. Operational review

In 2022, while facing significant and unpredictable global and geopolitical headwinds, Worldline reached or exceeded all its objectives for the year.

Worldline's FY 2022 revenue reached € 4,364 million, representing a strong +10.7% revenue organic growth, above the objective to reach 8% to 10% revenue organic growth in 2022. This achievement was reached by a solid growth in Merchant Services reflecting the widespread and rapid shift towards digital payments as well as the Group's strong positioning following the acquisition of Ingenico. The Global Business Line represented 70% of the total Group revenue in 2022.

Mobility & e-Transactional Services (8% of 2022 Group revenue) also contributed to growth, delivering a strong +7.3% organic growth over the year thanks to several major projects and the recovery of the public transport sector. Financial Services (22% of 2022 Group revenue) were up by +2.5% in 2022 with solid revenue flows partly compensating the temporary impact from the price decrease conceded by the Group for the renewals of historical large contracts of Equens end of 2021.

Reaching € 1,133 million in 2022, the Group's Operating Margin before Depreciation and Amortization (OMDA) was up by +15.7% at constant scope and exchange rates in 2022. It represented 26.0% of revenue, an organic improvement by +110 basis points, in line with the objective of the year.

B.1.1. Statutory to constant scope and foreign exchange rates reconciliation

For the analysis of the Group's performance, 2022 revenue and Operating Margin before Depreciation and Amortization (OMDA) are compared to 2021 revenue and OMDA at constant scope and exchange rates.

Reconciliation between 2021 reported revenue and OMDA and 2021 revenue and OMDA at constant scope and foreign exchange rates is presented below per Global Business Lines:

	Revenue			
In € million	FY 2021	Scope effect**	Exchange rates effect	FY 2021*
Merchant Services	2,416	+234.0	+17.0	2,667
Financial Services	927	-0.0	+8.1	935
Mobility & e-Transactional Services	347	-2.6	-4.2	340
Worldline	**3,689**	**+231.3**	**+20.8**	**3,942**

	OMDA			
In € million	FY 2021	Scope effect**	Exchange rates effect	FY 2021*
Merchant Services	629	+41.8	+0.5	672
Financial Services	291	+0.0	+4.6	296
Mobility & e-Transactional Services	52	-0.6	-0.7	51
Corporate costs	-39	-0.0	-0.2	-39
Worldline	**933**	**+41.2**	**+4.3**	**979**
as a % of revenue	***25.3%***			***24.8%***

** at constant scope and December 2022 YTD average exchange rates*
*** at December 2021 YTD average exchange rates*

In 2022, exchanges rates effect is mainly due to:

- the Euro depreciation versus the Swiss franc as well as, to a lesser extent, versus the Indian rupee, dollar related currencies (AUD, CAD, SGD, NZD), and the British pound on the one side, and
- the Euro appreciation versus the Turkish lira and Swedish krona on the other side.

Scope effects are related to:

- the consolidation of ANZ, Axepta Italy, Eurobank, Handelsbanken, and Cardlink on the one side, and
- the divestments following the clearance from the European Commission for the acquisition of Ingenico and the disposal in Mobility & e-Transactional Services in Latin America on the other side.

B.1.2. Performance by Global Business Line

In € million	Revenue			OMDA			OMDA %		
	FY 2022	FY 2021*	*Organic change*	FY 2022	FY 2021*	*Organic change*	FY 2022	FY 2021*	*Organic change*
Merchant Services	3,041	2,667	*+14.0%*	869	672	*+29.4%*	*28.6%*	*25.2%*	*+340 bps*
Financial Services	958	935	*+2.5%*	272	296	*-8.0%*	*28.4%*	*31.6%*	*-320 bps*
Mobility & e-Transactional Services	365	340	*+7.3%*	53	51	*+4.9%*	*14.5%*	*14.9%*	*-30 bps*
Corporate costs				-61	-39	*+57.9%*	*-1.4%*	*-1.0%*	*-40 bps*
Worldline	**4,364**	**3,942**	***+10.7%***	**1,133**	**979**	***+15.7%***	***26.0%***	***24.8%***	***+110 bps***

** at constant scope and exchange rates*

B.1.2.1. Merchant Services

Benefiting of the steady growth of acquiring MSV acceleration and new merchants gained, Merchant Services' revenue in 2022 reached € 3,041 million, representing an organic growth by +14.0%. Commercial Acquiring showed a strong double-digit growth in almost all geographies and customer segments with strong dynamics and a good cash-to-card conversion trend. Despite the impact of the stop of Russian activities, Payment Acceptance also contributed to the growth of Merchant Services with a mid-single digit organic growth with strong volumes for SMBs and large retailers in all geographies and more particular in Germany with Payone, as well as strong volumes related to the recovery of the travel industry benefiting to Digital Commerce. Finally, Digital Services mid to high single digit growth was led by a strong recovery in Germany compensating as anticipated some limited delays in POS supply.

Merchant Services performance reflects a very strong development of market positions all along the year, notably in commercial acquiring, as illustrated by the following business KPI:

- In 2022, Worldline's acquiring merchant base experienced a steady growth with c. 85,000 new merchants onboarded on its platform over the year, led by a strong dynamic in both instore (c. +9%) and online merchants count (c. +15%). Reaching 1.25 million merchants as of end of 2022 (excluding recent acquisitions), it represents an increase of 200k net merchants compared to the end of December 2020.
- Worldline's acquiring MSV in 2022 reached c. € 320 billion, up +22% versus 2021 and up +29% versus 2019. This performance has been fuelled by market share gains in both instore (MSV c. +21% vs. 2021) and online (c. +27% vs. 2021).

All along the year, Worldline stood alongside the merchants to continue to accompany its clients to accelerate their digitization plans. It materialized in Q1 2022 with numerous new client wins and upsells signed with existing clients such as, among others, But, Vinfast, Monoprix, Pearson, Chronopost or Norse. In Q2, Merchant Services signed with large new merchants such as, Myra, Eram, Alpiq, Icelandair, TUI Cruises, Iberostar, or Milanoo. Worldline continued in Q3 to be awarded of numerous contracts for both Commercial Acquiring and Payment Acceptance, in-store and online clients such, as among others, Lufthansa, MSC Cruises, FIVE, Webhallen.com, or Eurowag. Finally, in Q4, Worldline onboarded new client such as, among others, Wizz, Voidu, Rebtel, WEAT, Système U, Joom, Club Med, or Olimpia Parking .

All along the year, Worldline played actively its orchestrator role of the payment industry by signing numerous partnerships with players signed such as:

- Microsoft with Next Gen fraud solution for online payments based on Dynamics 365 fraud protection;
- Alipay for the Integration of Alipay+ enhancing in-store and e-commerce payments with a wide range of e-wallets and bank apps from across Asia;
- Oracle through the integration agreement including full suite of payment services for hospitality, F&B and Retail verticals;
- Vesca for Credit card acquiring and POS card acceptance and processing in Japan for instore and online merchants;
- SoftPos, enlarging Worldline offering with a new value proposition for micro merchants with mobile Tap & Pay payment solution on Android mobile devices;
- Casio for the simplification of the card acceptance in Japan leveraging Casio front-end positioning on the ECR market while combining it with Vesca NSP positioning;
- Planet through a joint offering providing full-service end-to-end integrated payment solution for hospitality, featuring omnichannel capabilities and DCC services;
- Zebra for Payment app certification of *Worldline Tap-on-Mobile* allowing specialized integrators and partners to add payment on their Android devices;
- UpStream Pay for the integration of a single API dedicated to e-commerce merchants allowing connection to a vast and full suite of payment methods boosting conversion rate; and
- BigCommerce, a global SaaS based shopping cart solution that will natively integrate Worldline' online solutions to its platform. This partnership will allow all BigCommerce merchants, from start-ups to enterprise sized merchants, to have access to Worldline's pan-European acceptance and acquiring solutions.

Merchant Services' OMDA in 2022 amounted to € 869 million, 28.6% of revenue, representing an improvement by +340 basis points. It was positively supported by the strong of revenue performance and by the synergies from Ingenico integration program which is materializing as per plan.

B.1.2.2. Financial Services

Financial Services revenue reached € 958 million in 2022 with a +2.5% organic growth over the year with solid revenue flows partly compensating the temporary impact from the price decrease conceded by the Group for the renewals of historical large contracts of Equens in Q4 2021. Card-based payment processing activities (Issuing Processing and Acquiring Processing altogether) delivered a soft organic growth with improved volume trends and level of project activities compensating the impact of price concessions of renewed large contracts. Digital Banking posted a low to mid-single digit growth while, Accounts Payments delivered a solid high single digit driven by the significant level of project activity and continuous and increasing run volumes recorded in Germany as well as in the Netherlands.

Financial Services continued to extend its business in 2022, and notably through the signature in the first quarter of a partnership with UniCredit to allow the bank's customers to connect their accounts in other banks throughout Europe via one single application programming interface (API). This enables UniCredit to effectively offer Account Information Services (AIS) and Payment Initiation Services (PIS) and opens up a range of business opportunities for both UniCredit and its customers. UniCredit has been using Worldline's Open Banking TPP service since 2020 and the partnership has been extended for another two years. Still in Q1, a partnership was set with Mainsys Financial Software, a Belgian IT company that offers comprehensive banking solutions. The joint solution has been recently rolled-out for the first time to manage co-badged Visa Debit-Bancontact cards.

During the second quarter, several Financial Services contracts were signed or renewed by Worldline, and in particular with DFM, a financing partner for enterprises within the mobility sector which chose Worldline to be their Instant Payments and Clearing & Settlement mechanism partner, and with Aegon Bank N.V. for back-office processing for handling Instant payments, SEPA batch payments and multi-currency payments. Worldline also renewed for 5 years its contract with Credit Agricole Payment Services for the management of the ACS service (Access Control Server), enabling issuing banks to manage 3DSecure processes and to authenticate cardholders during online payments. Finally, Worldline partnered with two fintechs in the Financial Services space; manager.one to offer to corporate cardholders a seamless experience for managing their business expenses, and Algoan to offer next-level credit assessment solution for lenders & service providers.

In Q4 2022, the commercial activity in Financial Services was marked in particular by the renewal and extension of a partnership with the Dutch international bank ING. Following the signature of this a multi-year deal, Worldline handles debit and credit card issuing and processing for ING in the Netherlands, Belgium and Germany. Relying on its technology and know-how, Worldline helps ING focus on its core expertise, ultimately supporting the bank's growth ambitions. By partnering with Worldline, ING can rely on top-quality cards issuing services backed by state-of-the-art technology, lower operation costs and best-in-class capabilities. This allows ING to provide its customers an enhanced range of issuing solutions that are fully compliant with all regulations, on a local and global level.

Financial Services OMDA reached € 272 million in 2022, representing 28.4% of revenue. The overall profitability of Financial Services remained high despite the renewal of Equens contracts at a lower price and the cost inflation not yet compensated by the full impact of already launched measures in terms of cost base monitoring and workforce management.

B.1.2.3. Mobility & e-Transactional Services

Revenue in Mobility & e-Transactional Services reached € 365 million, up organically by +7.3% over the year thanks to several major projects and the recovery of the public transport sector. *e-Ticketing* grew at a double-digit rate thanks to higher fare collection in Latin America coupled with the robust pick-up in the transportation sector in Europe as well as several development projects in the UK and in France. *Trusted Digitization* also grew at a double-digit rate driven by new projects and improving volumes in France, higher volumes in Tax collection and digital healthcare in Latin America, and a good momentum both on support and project activity in e-Health and e-Archiving solutions in Germany. Finally, *e-Consumer & Mobility* was stable year-on-year with increasing projects and volumes just offsetting the effect of the re-insourcing of a Contact contract with a large telco operator.

Commercial activity in Mobility & e-Transactional Services was strong in Q1, in particular with the signature with the department of the North (largest administrative area in France) has chosen Worldline to use the SaaS solution Worldline Parcours RSA in order to equip their +1,400 social agents. It will enable the Department to streamline the process of supporting social assistance beneficiaries with the hundreds of counterparts involved, in order to bring them back quicker in employment. Still in Q1, Worldline was engaged to deliver Cloud based control system to a train operating company in Great Britain to provide better IT integration and data flows such as planning and maintenance systems.

In Q2, Mobility & e-Transactional Services was awarded with a 6-year duration agreement with GTR, the UK's largest railway operator delivering 24% of all passenger rail journeys has awarded Worldline with for the continued support of their booking office and on-board ticket issuing systems. Worldline was also selected by a large French metropole to build and operate the first project in France to incentive drivers to use more ecological virtuous transport mode, with a target of reducing up to 7% the traffic during peak hours, relieving the traffic and improving the air quality. In Trusted Services, GIE Sesam Vitale, the French public operator in charge of digitizing reimbursements covered by public health insurance in France has chosen Worldline to set up a large-scale SecNumCloud project, for the hosting and operation of the mobile application replacing the existing card centric system.

In Q3, the momentum of the WL Contact solution observed during the last periods was confirmed by the win of the CNAF (Caisse Nationale des Allocations Familiales) public RFP to supply a call center solution. Worldline will set up and roll out the Contact solution for the management of incoming and outgoing calls of the French welfare national organization for a period of 8 years. The service will improve call processing through a strong and scalable infrastructure and provide user-friendly interfaces.

Commercial activity in Mobility & e-Transactional Services in Q4 2022 materialized with numerous wins such as with the West of England Combined Authority which appointed Worldline to develop and operate the region's customer focused Mobility as a Service (MaaS) solution, while Compañía Española de Petróleos and Worldline have reached an agreement to renew their contractual relationship until 2024 for the maintenance of the Payment Means Applications.

Mobility & e-Transactional Services' OMDA reached € 53 million, representing 14.5% of revenue. The Business Line has been able to improve its profitability by € 2 million thanks to the positive business trends and cost optimization plans addressing both fixed and variable costs helping to offset the overall cost inflation.

B.1.2.4. Corporate costs

Corporate costs amounted to € 61 million in 2022, representing 1.4% of total Group revenue compared to 1.0% in 2021 at constant scope and exchange rates. This increase reflect the implementation of a more centralized operating model following recent acquisitions.

B.1.3. Human resources

B.1.3.1. Headcount evolution

The **total headcount** was **18,054** at the end of 2022, down by -2,657 headcounts (-12.8%) compared to 20,711 end of 2021. The decrease is mainly related to the disposal of TSS (c. 3,700 headcounts) as well as hirings (net of attrition) of c. 1,500 headcounts over the year in order to staff the Group expansion. Headcount movements by geography in 2022 are detailed herein below:

Headcount	Opening Jan-22	TSS disposal	Other scope effects	Hiring	Leavers	Dismiss / Restruc	Others	Closing Dec-22
Southern Europe	5,987	-418	124	+1,046	-467	-42	-508	5,722
Central & Eastern Europe	4,983	-153	-81	+895	-497	-18	-107	5,022
Northern Europe	4,324	-816		+943	-496	-12	+189	4,132
Asia Pacific	4,059	-1,478	+139	+1,050	-710	-73	-35	2,952
Americas	1,358	-808	-209	+269	-318	-27	-39	226
Worldline	**20,711**	**-3,673**	**-27**	**4,203**	**-2,488**	**-172**	**-500**	**18,054**

B.2. 2023 objectives

2023 objectives are the following:

- Revenue organic growth: +8% to +10%
- OMDA margin: above 100 bps improvement vs. 2022 pro forma (25.4%)
- Free cash flow: 46% to 48% OMDA conversion rate

2023 objectives are based on unchanged macro-economic situation.

B.3. 2024 ambition fully reiterated

The Group ambitions to deliver:

- Revenue organic growth: +9% to +11% CAGR
- OMDA margin: above 400 basis points improvement over the 2022-2024 period, trending towards 30% of revenue by 2024
- Free cash flow: circa 50% OMDA conversion rate

B.4. Financial review

B.4.1. Income statement

The Group reported a net income (attributable to owners of the parent Worldline S.A.) of € 299.2 million for the full year 2022 (compared to a net loss of € 751.4 million for the full year 2021). The normalized net income attributable to continued operations before unusual and infrequent items (net of tax) in 2022 was € 544.9 million, representing 12.5% of revenue compared to € 440.0 million in 2021.

B.4.1.1. Reconciliation from operating margin to net income attributable to continued operations

In € million	12 months ended December 31, 2022	%	12 months ended December 31, 2021	%
Operating margin	**864.1**	**19.8%**	**668.1**	**18.1%**
Other operating income/(expenses)	(529.0)		(363.9)	
Operating income	**335.0**	**7.7%**	**304.2**	**8.2%**
Net financial income/(expenses)	(40.9)		(38.0)	
Tax charge	(78.8)		(64.0)	
Share of net profit/(loss) of associates	(0.5)		(1.1)	
Non-controlling interests and associates	(4.1)		(10.3)	
Net income - Attributable to continued operations	**210.7**	**4.8%**	**191.1**	**5.2%**
Net income/loss – Attributable to discontinued operations	88.5		(942.5)	
Net income/loss – Attributable to owners of the parent	**299.2**	**6.9%**	**(751.4)**	**-20.4%**
Normalized net income – Attributable to owners of the parent	**544.9**	**12.5%**	**440.0**	**11.9%**

B.4.1.2. Operating Margin before Depreciation and Amortization

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is analysed in the operational review.

In € million	12 months ended December 31, 2022	12 months ended December 31, 2021	Variation
Operating margin	**864.1**	**668.1**	**196.0**
+ Depreciation of fixed assets	256.7	242.1	14.6
+ Net book value of assets sold/written off	4.7	11.6	(6.9)
+/- Net charge/(release) of pension provisions	7.2	7.3	(0.1)
+/- Net charge/(release) of provisions	(0.2)	4.5	(4.7)
OMDA	**1,132.5**	**933.5**	**199.0**

B.4.1.3. Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net cost € 529.0 million in 2022. The following table presents this amount by nature:

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Staff reorganization	(28.5)	(11.4)
Rationalization and associated costs	(8.8)	(26.7)
Integration and acquisition costs	(155.0)	(86.0)
Equity based compensation & associated costs	(37.3)	(51.5)
Customer relationships and patents amortization	(237.6)	(188.7)
Other items	(61.8)	0.4
Total	**(529.0)**	**(363.9)**

Staff reorganization expenses of € 28.5 million increased by € 17.1 million compared to last year and corresponded mainly to the implementation of synergy plans and costs induced by the recent acquisitions and the new target operating model.

The € 8.8 million of **rationalization and associated costs,** decreasing by 17.9 million**.** In 2021, the € 26.7 million of rationalization and associated costs resulted mainly from headquarters relocation.

Integration and acquisition costs reached € 155.0 million, increasing by € 69 million, and were mainly related to the ramp-up of synergy implementation from Ingenico acquisition, the set up of the joint venture in Australia with ANZ and other recent acquisitions (Handelsbanken merchants portfolio and Italian Joint venture with BNL).

The 2022 **customer relationships and patents amortization** of € 237.6 million corresponded mainly to:

- € 134.0 million of Ingenico customer relationships, technologies and patents;
- € 47.2 million of SIX Payment Services customer relationships, technologies and patents;
- € 21.1 million of Cardlink customer relationships, technologies and patents;
- € 10.4 million of ANZ customer relationships, technologies and patents;
- € 8.3 million of equensWorldline customer relationships, technologies and patents.
- € 6.9 million of Axepta customer relationships, technologies and patents.

Other items totalled € 61.8 million and are mainly related to a loss resulting from the divestment of 2 entities in Latin America for € 47.3 million largely generated by cumulative translation adjustment reserves booked in P&L.

B.4.1.4. Net financial expenses

Net financial expenses amounted to € 40.9 million for the period (compared to an expense of € 38.0 million in 2021) and were made up of:

- A net cost of financial debt of € 38.2 million (against net cost of € 38.3 in 2021); and
- A net non-operational financial expense (including the impact of foreign exchange) of € 2.7 million (€ 0.3 million income in 2021).

Net cost of financial debt of € 38.2 million is mainly made up of interests linked to straight bonds (€ 19.9 million) and convertible bonds (€ 11.4 million). The variation compared to last year is explained by the impact of bonds reimbursement during last year that generated expenses for € 8.7 million in 2021, compensated by an increase in other financial interest expense of € 8.4 million mainly due to € 6.5 million of financial interest on bank overdraft related to the Group's new activities in Australia.

The net non-operational financial expense of € 2.7 million in 2022 was mainly composed of:

- Foreign exchange loss for € 35.7 million (gain of € 2.5 million in 2021), mainly driven by the decline of euro during the period, and hyperinflation in Argentina and Turkey for an impact of € -18.9 million;
- Financial interests on lease liability (IFRS 16) impacts for an expense of € 4.9 million (as in 2021);
- Pension financial costs for € 2.5 million (€ 2.1 million in 2021). The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded (see Note 11 "Pensions and similar benefits");
- The recognition in the consolidated income statement of the net gain of € 40.3 million related to the disposal of Visa shares in 2022 and a €4.6 million profit related to the change in fair value of the remaining Visa preferred shares at December 31, 2022 (compared to € 8.0 million profit in 2021);
- The negative change in fair value of other financial instruments for € 4.3 million, mainly related to Bidco Poseidon preferred shares;
- Other financial expenses for € 4.5 million mainly related to financial fees;
- Other financial income for € 4.6 million mainly related to revaluation of Partech FCPR contribution for € 3.1 million and dividends from Visa preferred shares for € 1.5 million.

B.4.1.5. Corporate tax

The tax charge at the end of December 2022 was € 78.8 million for a profit before tax of € 294.1 million. The annualized Effective Tax Rate (ETR) was 26.8% (24.0% in 2021). This increase is mainly driven by the divestment of Latin American entities, as generated by a non-deductible loss. The effective tax rate in 2022 restated of this divestment amounts to 23.5%.

B.4.1.6. Non-controlling interests and associates

The net income attributable to non-controlling interests and associates at the end of December 2022 was € 4.1 million mainly related to the participations in ANZ and Payone, compared to € 10.3 million in 2021.

B.4.1.7. Normalized net income

The normalized net income is defined as net income attributable to continued operations excluding unusual and infrequent items (Group share), net of tax. For 2022, the amount was € 544.9 million, compared to € 440.0 million in 2021.

(In € million)	**12 months ended December 31, 2022**	**12 months ended December 31, 2021**
Net income - Attributable to owners of the parent (Continued)	**210.7**	**191.1**
Other operating income and expenses (Group share)	463.4	333.9
Financial gain on Visa shares disposal (Group share)	(41.5)	-
Tax impact on unusual items	(87.8)	(85.0)
Normalized net income - Attributable to owners of the parent	**544.9**	**440.0**

B.4.1.8. Earnings per share

The weighted average number of shares amounts to 281,179,484 shares for the period. At the end of December 2022, potential dilutive instruments comprised stock options (equivalent to 457,917 shares) and convertible bonds effect (equivalent to 12,775,380 shares).

In € million	**12 months ended December 31, 2022**	**%**	**12 months ended December 31, 2021**	**%**
Net income - continued [a]	**210.7**	**4.8%**	**191.1**	**5.2%**
Diluted net income - continued [b]	**219.2**	**5.0%**	**199.2**	**5.4%**
Normalized net income - continued [c]	**544.9**	**12.5%**	**440.0**	**11.9%**
Normalized diluted net income - continued [d]	**553.3**	**12.7%**	**448.1**	**12.1%**
Average number of shares [e]	281,179,484		279,668,350	
Impact of dilutive instruments	13,233,297		13,668,623	
Diluted average number of shares [f]	294,412,781		293,336,973	
In €				
Basic EPS [a] / [e]	**0.75**		**0.68**	
Diluted EPS [b] / [f]	**0.74**		**0.68**	
Normalized basic EPS [c] / [e]	**1.94**		**1.57**	
Normalized diluted EPS [d] / [f]	**1.88**		**1.53**	

B.4.2. Cash flow

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Operating Margin before Depreciation and Amortization (OMDA)	**1,132.5**	**933.5**
Capital expenditures	(324.9)	(225.6)
Lease expenditures (Lease under IFRS16)	(75.6)	(72.1)
Change in working capital requirement	99.8	62.1
Cash from operation	**831.8**	**697.9**
Taxes paid	(78.8)	(114.4)
Net cost of financial debt paid	(22.4)	(29.1)
Reorganization in other operating income	(28.2)	(15.5)
Rationalization & associated costs in other operating income	(8.8)	(7.6)
Integration and acquisition costs	(155.2)	(99.7)
Other changes	(18.7)	(17.7)
Free Cash Flow	**519.6**	**413.9**
Net material acquisitions and disposal	290.9	(315.5)
Capital increase	13.7	23.4
Portion of convertible bonds in equity / debt	(11.4)	(11.3)
Net Long term financial investments	(6.7)	(6.8)
Dividends paid	(13.2)	(21.0)
Other movements	115.5	(0.2)
Change in net cash/(debt)	**908.4**	**82.5**
Opening net cash/(debt)	**(3,125.6)**	**(3,211.3)**
Change in net cash/(debt)	908.4	82.5
Change in net cash/(debt) discontinued	-	186.1
Foreign exchange rate fluctuation on net cash/(debt)	15.2	20.0
Closing net cash/(debt) before IFRS 5	**(2,201.9)**	**(2,922.7)**
Closing net cash of TSS		202.9
Closing net cash/(debt)	**(2,201.9)**	**(3,125.6)**

Free cash flow represented the change in net cash or net debt, excluding equity changes, dividends paid, impact of foreign exchange rate fluctuations on opening net cash balance, and net acquisitions, financial investments and disposals.

In 2022, the Free cash flow definition was revised and Net long term financial investments are excluded from this aggregate.

At the end of December 2022, the free cash flow reached € 519.6 million, compared to € 413.9 million in 2021.

OMDA of € 1,132.5 million, reached 26.0% of revenue.

Capital expenditures amounted to € 324.9 million or 7.4% of revenue. The part related to investments in software platforms through capitalized costs, in connection with the modernization of proprietary technological platforms, amounted to € 175.7 million.

The positive **change in working capital requirement** was € 98.4 million, in line with the improvement already recorded during the first semester of the year of € 86.1 million.

The Group may factor part of its account receivables in the normal course of its day-to-day treasury management. Amount of receivables factored as at December 31, 2022 is non-significant and in line with the level of December 31, 2021.

Cash-out related to **taxes paid** reached € 78.8 million.

Net outflow related to **cost of financial debt paid** of € 27.3 million is mainly related to interests on straight bonds and convertible bonds.

Cash outflow linked to **reorganization costs** and **rationalization costs** represented respectively € 28.2 million and € 8.8 million.

Integration costs of € 155.2 million mainly included costs linked to Ingenico integration, costs to deliver the Synergy plan and other recent acquisitions (ANZ, SPS, Axepta).

Net financial investments amounted to € 6.7 million.

The **Net material acquisitions** represented mainly:

- The cash received from the disposal of TSS;
- Payments related to the acquisition of Cardlink, Axepta, ANZ and GoPay minority interest.

In 2022, the € 13.7 million **Capital increase** corresponds to the issuance of common stock following employees' exercise of stock options and the employees' shareholding plan ("Boost Plan").

Negative net cash effect of **convertible bonds** reached € 11.4 million, representing non-cash increase of convertible bonds (discounting and capitalized interests).

Other movements are mainly impacted by the disposal of the Visa shares.

Foreign exchange rate fluctuation, which is determined on debt or cash exposure by country, had a positive impact of € 15.3 million.

B.4.2.1. Investments

Investments of 2022

In 2022, the Group's total capital expenditures (purchases of tangible and intangible assets recorded in the balance sheet) were € 324.9 million. These capital expenditures comprised principally:

Capitalized production costs. Capitalized production costs, which relate to the IT platforms core to the Group's products, totaled € 175.7 million in 2022, increasing by € 62.5 million due to the acceleration of the product synergy roadmap, following the numerous recent acquisitions. This amount was invested primarily in software development in two main areas (i) creating new products or improving existing products with new features (ii) rendering the Group's processing platform compliant with new Regulations.

Other purchases of tangible and intangible assets encompass (i) Investments in shared infrastructures, infrastructures that are not dedicated to a single client, which consist principally in software, servers, network and storage equipment and (ii) Investments in infrastructure dedicated to specific clients, mainly dedicated servers and terminals leased to clients.

The following table shows capital expenditures (purchases of tangible and intangible assets) by type of expenditure for the periods indicated.

(In € million)	**As at December 31, 2022**	**As at December 31, 2021**
Capitalized production	175.7	113.2
Other purchases of tangible and intangible assets	149.2	111.2
Total capital expenditures (purchases of tangible and intangible assets)	**324.9**	**224.4**

Gross Financial Investments

In 2022, the Group's net financial investments (amounts paid for financial assets) amounted to € 290.9 million, mainly for the acquisitions of Axepta, ANZ and Eurobank merchants portfolios, net of and the disposal of TSS.

B.4.2.2. Significant existing or planned property, plant and equipment

As of December 31, 2022, the Group held property, plant and equipment with a total net value of approximately € 227.0 million, consisting mainly of the equipment (particularly information technology equipment) used in its production centers, more specifically its data centers. The Group leases almost all of its property & plant while IT equipment is generally purchased.

Property, plant and equipment held or leased by the Group consists primarily of the following:

- Administrative buildings and offices for the Group's administrative and commercial needs, in all of the countries in which the Group operates. The principal sites leased are located in France (in particular the Seclin site where its biggest operational unit is based as well as the Paris La Défense site where the Company has its registered offices), in Belgium, in Switzerland, in the Netherlands, in Italy, in Germany, in Sweden, in Spain, in Luxembourg, in Poland, in Austria, in the United Kingdom, in the USA, in Malaysia, in Singapore, and in Australia and New Zealand;
- The Group's main data centers are located in France (at its Seclin site as well as in Vendôme-only owned building site-), in Belgium (at its Brussels site), in Luxembourg, and in Germany (at its Frankfurt site). The Group leases data centers facilities in France, in the Netherlands, in Italy, in Luxembourg, in Germany, in Sweden, in Spain, in Turkey, in the USA, in Canada, in Argentina, in Australia, in New Zealand, and in India. In Switzerland the Group is buying infrastructures services from SIX Group. The Group also rents, from third parties connected with its own data centers, four European telecommunications centers (located in France, Belgium and Germany). Lastly, the Group uses on-demand infrastructures from public cloud providers, among others Amazon Web Services, Google Cloud and Microsoft Azure;
- Technical data center infrastructure, furniture, equipment (primarily information technology equipment) and data center servers, which the Group owns through its local subsidiaries;
- Assembly plant in the United Kingdom for the manufacture of kiosks.

The Group believes that the usage rate of its various tangible fixed assets is consistent with its activity and projected growth, as well as with its current and planned investments.

B.4.3. Financing policy

Financing structure

Worldline's expected liquidity requirements are currently fully covered by the gross cash, the long-term committed credit facilities and the cash generation.

On December 20, 2018, Worldline (as borrower) signed a five-year revolving credit facility (the "Facility") for an amount of € 600 million, maturing in December 2023 with an option for Worldline to request the extension of the Facility maturity date until December 2025. In October 2019, first extension has been requested and approved by the banks. The Facility maturity date was December 2024.

In October 2020, a second extension has been requested and approved by the banks for an amount of € 554 million. Therefore, the amount of this Facility is now € 600 million until December 2024 and € 554 million between December 2024 and the final maturity of December 2025.

On January 2021, following lender's approvals, an existing € 750 million revolving credit facility at the level of Ingenico Group SA (as borrower), maturing in July 2023 was amended and extended as follows: modification of the borrower which is now Worldline S.A., decrease of the amount from € 750 million to € 450 million, improved margin conditions and financial commitments/covenants, and maturity extended to January 2024. On December 27, 2022, lenders agree to extend further the facility until December 2025, so that the maturity date of both facilities are now aligned.

The two above-mentioned revolving credit facilities are available for general corporate purposes.

At December 31, 2022, neither the Worldline € 600 million facility, nor the € 450 million facility are drawn.

Worldline has entered a "Negotiable European Commercial Papers" program (NEU CP) on April 12, 2019 to optimize its financial charges and improve Group's cash for a maximum initial amount of € 600 million increased to € 1,000 million in December 2020. On December 31, 2022, the outstanding amount of the program was € 45 million.

In addition, on July 30, 2019, Worldline has issued interest-free bonds convertible into new shares and/or exchangeable for existing shares of Worldline (OCEANE) for an amount of € 600 million due to mature on July 30, 2026, unless the bonds have been subject to early redemption, conversion or purchase and cancellation.

Worldline has issued subsequently, on September 18, 2019, bonds for an amount of €500 million. Such bonds are due to mature on September 18, 2024 and produce interest of 0.25% per year on the outstanding principal amount. These bonds are rated BBB by S&P Global Ratings in line with the corporate credit rating of the Company, and the terms and conditions reflect standard Investment Grade documentation.

These two bonds have financed the acquisition of the 36.4% minority stake of EquensWorldline which has been paid entirely in cash during September 2019.

On June 2020, in the context of the financing of the cash component of the acquisition of Ingenico (shares and OCEANE bonds), under a € 4 billion EMTN (Euro Medium Term Note) programme listed in Luxemburg and dated June 22, 2020, Worldline completed two bonds issuances for an amount of € 500 million each. The first bond issue is due to mature on June 30, 2023 and produces interest of 0.50% per year on the outstanding principal amount. The second bond issue is due to mature on June 30, 2027 and produces interest of 0.875% per year on the outstanding principal amount. The bonds are rated BBB by S&P Global Ratings, in line with the corporate credit rating of the Company, and the terms and conditions reflect standard Investment Grade documentation. The bonds are listed on the Luxemburg Stock Exchange.

On July 2020, Worldline has issued interest-free OCEANE bonds for an amount of circa € 600 million due to mature on July 30, 2025, unless the bonds have been subject to early redemption, conversion or purchase and cancellation. Proceeds have been dedicated to financing of the acquisition of Ingenico.

On December 2020, Worldline placed a tap issue of OCEANE bonds for an amount of circa € 200 million maturing on July 30, 2026 fully fungible with the OCEANE bonds due 2026 issued in July 2019.

Following the acquisition of Ingenico, the following additional debts are borne by Worldline:

- In September 2017, Ingenico has completed a bond issuance for an amount of € 600 million. The bond issue is due to mature in September 2024 and produces interest of 1.625% per year on the outstanding principal amount. An issuer substitution has been approved in a general meeting of the bonds holders held on May 2021, and Worldline S.A. is now the issuer of these bonds;
- In May 2018, Ingenico has entered into two Schuldschein for an amount of respectively € 25 million and € 30 million. The maturity of these Private Placements is May 2025 and they produce interest of 1.677% per year on their respective outstanding principal amounts. Following the signature in June 2021 of borrower substitution and amendment agreements with the lenders, Worldline has replaced Ingenico and is now the borrower;

Investment grade rating

On September 4, 2019, Standard & Poor's Global has assigned an "investment grade" BBB issuer credit rating to Worldline, with a stable outlook. This rating was affirmed on February 3, 2020 and on November 17, 2022, Standard & Poor's Global has affirmed a short-term A-2 credit rating as well to Worldline.

Investment policy

Worldline has a policy to lease its office space and other real estate assets either administrative or technical. Some other fixed assets such as IT equipment and company cars may be financed through leases depending on the cost of funding and on the most appropriate type of financing for each new investment.

B.5. Consolidated financial statements

B.5.1. Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2022

The audit procedures have been completed and the auditors' report on the financial statements is in the process of being issued.

B.5.2. Consolidated Income Statement

(In € million)		12 months ended December 31, 2022	12 months ended December 31, 2021
Revenue	Note 4	**4,364.1**	**3,689.4**
Personnel expenses	Note 5	(1,394.7)	(1,249.5)
Operating expenses	Note 5	(2,105.3)	(1,771.9)
Operating margin		**864.1**	**668.1**
% of revenue		***19.8%***	***18.1%***
Other operating income and expenses	Note 6	(529.0)	(363.9)
Operating income		**335.0**	**304.2**
% of revenue		***7.7%***	***8.2%***
Financial expenses		(171.7)	(54.6)
Financial income		130.8	16.6
Net financial expenses	Note 7	**(40.9)**	**(38.0)**
Net income before tax		**294.1**	**266.2**
Tax charge	Note 8	(78.8)	(64.0)
Share of net profit/(loss) of associates		(0.5)	(1.1)
Net income from continuing operations		214.8	201.1
Net income / loss from discontinued operations		88.5	(942.5)
Net Income / loss		**303.3**	**(741.3)**
Of which:			
- owners of the parent company of continuing operations		210.7	191.1
- owners of the parent company of discontinued operations		88.5	(942.5)
- attributable to owners of the parent		**299.2**	**(751.4)**
- non-controlling interests in continuing operations		4.1	10.3
- non-controlling interests in discontinued operations		-	(0.1)
- non-controlling interests	Note 13	**4.1**	**10.2**
Weighted average number of shares		281,179,484	279,668,350
Basic earnings per share - attributable to owners of the parent in euros from continuing operations		0.75	0.68
Basic earnings per share - attributable to owners of the parent in euros from discontinued operations		0.31	(3.37)
Basic earnings per share *(in €)*	Note 13	**1.06**	**(2.69)**
Diluted weighted average number of shares		294,412,781	293,336,973
Diluted earnings per share - attributable to owners of the parent from continuing operations		0.74	0.68
Diluted earnings per share - attributable to owners of the parent from discontinued operations		0.30	(3.21)
Diluted earnings per share (in €)	Note 13	**1.05**	**(2.53)**

B.5.3. Consolidated statement of comprehensive income

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Net Income / loss	**303.3**	**(741.3)**
Other comprehensive income		
- to be reclassified subsequently to profit / (loss) recyclable:	**(67.7)**	**209.7**
Fair-value change of financial instruments	3.1	(0.6)
Exchange differences on translation of foreign operations	22.9	121.1
Recyclable items from discontinued operations	(93.8)	89.2
- not reclassified to profit / (loss) non-recyclable:	**67.6**	**24.0**
Actuarial gains and (losses) generated in the period on defined benefit plan	94.3	25.9
Deferred tax on items non-recyclable recognized directly on equity	(25.6)	(5.3)
Non-recyclable items from discontinued operations	(1.1)	3.5
Total other comprehensive income	**(0.1)**	**233.7**
Total comprehensive income for the period	**303.1**	**(507.6)**
Of which:		
- attributable to owners of the parent	**316.1**	**(519.0)**
- non-controlling interests	**(13.0)**	**11.4**

B.5.4. Consolidated statement of financial position

B.5.4.1. Assets

(In € million)		As at December 31, 2022	As at December 31, 2021
Goodwill	Note 9	10,183.4	9,329.6
Other Intangible assets	Note 9	2,467.4	2,305.4
Tangible assets	Note 9	227.0	194.1
Right-of-use	Note 10	293.8	280.1
Non-current financial assets	Note 7	786.4	131.1
Non-current financial instruments		0.0	0.0
Deferred tax assets	Note 8	98.5	39.0
Total non-current assets		**14,056.4**	**12,279.4**
Inventories	Note 5	67.6	42.1
Trade accounts and notes receivables	Note 4	722.7	680.5
Current taxes		34.0	27.6
Other current assets	Note 5	295.0	261.5
Assets linked to intermediation activities	Note 5	4,767.4	2,570.1
Current financial instruments	Note 5	315.9	8.7
Cash and cash equivalents	Note 7	1,599.5	1,126.3
Total current assets		**7,802.1**	**4,716.9**
Assets classified as held for sale		**(0.0)**	**3,048.5**
Total assets		**21,858.5**	**20,044.7**

B.5.4.2. Liabilities and shareholders' equity

(In € million)		As at December 31, 2022	As at December 31, 2021
Common stock		191.6	190.7
Additional paid-in capital		7,981.0	8,590.1
Consolidated retained earnings		776.4	834.2
Translation adjustments		135.5	180.3
Net income attributable to the owners of the parent		299.2	(751.4)
Equity attributable to the owners of the parent		9,383.4	9,044.0
Non-controlling interests	Note 13	1,154.7	871.0
Total shareholders' equity		**10,538.1**	**9,915.0**
Provisions for pensions and similar benefits	Note 11	159.0	227.2
Non-current provisions	Note 12	92.8	50.5
Non-current financial liabilities	Note 7	3,198.8	3,509.7
Deferred tax liabilities	Note 8	561.7	568.1
Non-current lease liabilities	Note 10	256.6	253.9
Total non-current liabilities		**4,268.8**	**4,609.3**
Trade accounts and notes payables	Note 5	717.7	646.2
Current taxes		168.2	81.3
Current provisions	Note 12	14.5	19.1
Current financial instruments	Note 7	1.2	1.6
Current portion of borrowings	Note 7	602.7	742.6
Liabilities linked to intermediation activities	Note 5	4,767.4	2,570.2
Current lease liabilities	Note 10	73.0	55.7
Other current liabilities	Note 5	706.8	508.8
Total current liabilities		**7,051.6**	**4,625.5**
Liabilities directly associated with assets classified as held for sale		**0.0**	**894.9**
Total liabilities and shareholders' equity		**21,858.5**	**20,044.7**

B.5.5. Consolidated cash flow statement

(in € million)		12 months ended December 31, 2022	12 months ended December 31, 2021
Profit before tax		**294.1**	**266.2**
Depreciation of assets	Note 5.2	184.4	175.3
Depreciation of right-of-use	Note 5.2	72.3	66.8
Net charge / (release) to operating provisions		5.4	10.6
Net charge / (release) to financial provisions		2.9	4.6
Net charge / (release) to other operating provisions		36.2	13.9
Impairment of long – term assets /Customer relationships amortization (PPA)	Note 6	237.6	188.7
Losses / (gains) on disposals of fixed assets		29.0	(0.7)
Net charge for equity-based compensation		47.7	45.2
Losses / (gains) on financial instruments and other financial items		0.7	(4.9)
Net cost of financial debt	Note 7	37.3	38.3
Cash from operating activities before change in working capital requirement, financial interest and taxes		**947.7**	**804.0**
Taxes paid		(78.8)	(114.4)
Change in working capital requirement		99.9	62.1
Net cash from (used in) operating activities from continued operations		**968.8**	**751.8**
Net cash from (used in) operating activities from discontinued operations		101.1	230.4
Net cash from/ (used in) operating activities		**1,069.9**	**982.2**
Payment for tangible and intangible assets		(324.9)	(225.6)
Proceeds from disposals of tangible and intangible assets		10.3	7.3
Net operating investments		**(314.6)**	**(218.3)**
Amounts paid/received for acquisitions and long-term investments	Note 1	(750.1)	(330.7)
Cash and cash equivalents of companies purchased during the period		86.5	
Proceeds from disposals of financial investments		1,098.9	69.8
Cash and cash equivalents of companies sold during the period		5.5	
Dividend received from entities consolidated by equity method		1.5	
Net long-term investments		**442.3**	**(261.0)**
Net cash from (used in) investing activities from continued operations		**127.8**	**(479.3)**
Net cash from (used in) investing activities from discontinued operations		(98.3)	(58.4)
Net cash from/ (used in) investing activities		**29.5**	**(537.7)**
Capital Increase		13.7	20.7
Common stock issues on the exercise of equity-based compensation		-	2.7
Dividends paid to non controlling interests		(12.4)	(21.3)
New borrowings	Note 7.4	-	1,639.7
Lease payments & Interest		(75.6)	(72.1)
Repayment of long and medium-term borrowings	Note 7.4	(617.0)	(1,970.2)
Net cost of financial debt paid		(22.4)	(29.1)
Other flows related to financing activities		105.0	(4.6)
Net cash from (used in) financing activities from continued operations		**(608.6)**	**(434.2)**
Net cash from (used in) financing activities from discontinued operations		(20.3)	(11.3)
Net cash from/ (used in) financing activities		**(629.0)**	**(445.5)**
		-	
Increase/ (decrease) in net cash and cash equivalents - Continued		**487.9**	**(161.7)**
		-	
Increase/ (decrease) in net cash and cash equivalents - Discontinued activities		**(17.6)**	**160.7**
		-	
Opening net cash and cash equivalents - Continued operations		**1,057.3**	**1,242.4**
Increase/ (decrease) in net cash and cash equivalents - continued	Note 7	487.9	(0.9)
Impact of exchange rate fluctuations on cash and cash equivalents		6.6	20.0
Cash and cash equivalents reclassified at end of period in "Assets held for		-	(204.0)
Closing net cash and cash equivalents - Continued operations	Note 7	**1,551.9**	**1,057.3**

B.5.6. Consolidated statement of changes in shareholder's equity

(in € million)	Number of shares at period-end *(in thousands)*	Common Stock	Additional paid-in capital	Retained earnings	Translation adjustments	Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
At January 1st, 2021	**279,135.5**	**189.8**	**8,527.5**	**627.6**	**(28.1)**	**163.7**	**9,480.6**	**904.6**	**10,385.2**
* Increase of capital	1,349.3	0.9	62.6	(40.6)			22.9		22.9
* Appropriation of prior period net income				163.8		(163.8)	-		-
* Dividends paid to the shareholders							-	(9.8)	(9.8)
* Equity-based compensation				54.6			54.6		54.6
* Remeasurment effects of put option and earn out				(33.9)			(33.9)		(33.9)
* Scope changes				35.3			35.3	(35.3)	-
* Changes in Treasury stock and others				6.4			6.4		6.4
* Other				(2.6)			(2.6)		(2.6)
							-		
Transactions with owners	1,349.3	0.9	62.6	183.0	-	(163.8)	82.7	(45.1)	37.6
* Net income						(751.4)	(751.4)	10.2	(741.2)
* Other comprehensive income				24.0	208.4		232.4	1.2	233.6
Total comprehensive income for the period	-	-	-	24.0	208.4	(751.4)	(519.0)	11.4	(507.6)
At December 31st, 2021	**280,484.8**	**190.7**	**8,590.1**	**834.2**	**180.3**	**(751.4)**	**9,044.0**	**871.0**	**9,915.0**
* Increase of capital	1,285.0	0.9	29.1	(17.3)			12.7		12.7
* Appropriation of prior period net income				(751.4)		751.4	-	-	-
* Dividends paid to the shareholders							-	(13.2)	(13.2)
* Equity-based compensation				52.1			52.1		52.1
* Remeasurment effects of put option and earn out				(44.2)			(44.2)		(44.2)
* Scope changes				1.8			1.8	309.3	311.0
* Other			(638.2)	638.2	0.9		0.9	0.6	1.5
Transactions with owners	1,285.0	0.9	(609.1)	(120.8)	0.9	751.4	23.3	296.7	320.0
* Net income						299.2	299.2	4.1	303.3
* Other comprehensive income				62.6	(45.7)		16.9	(17.0)	(0.1)
Total comprehensive income for the period	-	-	-	62.6	(45.7)	299.2	316.1	(13.0)	303.1
At December 31st, 2022	**281,769.8**	**191.6**	**7,981.0**	**776.4**	**135.5**	**299.2**	**9,383.3**	**1,154.7**	**10,538.1**

B.5.7. Appendices to the consolidated financial statements

B.5.7.1. General information

Worldline S.A., the Worldline Group's parent company, is a public limited company (*Société Anonyme*) under French law whose registered office is located at Tour Voltaire, 1 place des Degrés, 92800 Puteaux, France. The Company is registered with the Registry of Commerce and Companies of Nanterre under the reference 378 901 946 RCS Nanterre. Worldline S.A. shares are traded on the Euronext Paris market under ISIN code FR0011981968. The shares are not listed on any other stock exchange. Worldline S.A. is the only listed company in the Group. The Company is governed by a Board of Directors.

Worldline is the European leader in the payments and transactional services industry and #4 player worldwide. Worldline activities are organized around three Global Business Lines: Merchant Services, Financial Services and Mobility & e-Transactional Services. In September 2022, Worldline sold its Terminals, Solutions & Services GBL. Following the strategic review of this activity, the Board of Directors decided in September 2021 to divest Terminals, Solutions & Services, so it can pursue an ambitious transformation strategy as a fully standalone independent business. In this context, the GBL is accounted for under IFRS 5 as discontinued operation.

These consolidated financial statements were approved by the Board of Directors on February 20, 2023. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on June 8, 2023.

B.5.7.2. Accounting rules and policies

Basis of preparation of consolidated financial statements

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2022 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2022. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). Accounting policies applied by the Group comply with those standards and interpretations.

Changes in accounting policies

The Group applied the following standards, interpretations and amendments effective as of January 1st, 2022 that had no material impact on the Group financial statements:

- Amendments to IAS 16 – Proceeds before Intended Use;
- Amendments to IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract.
- Amendments to IFRS 3 – Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018-2020

The Group did not choose the early adoption of new standards, interpretations and amendments with application not mandatory within the European Union as of January 1st, 2022 in its consolidated financial statements for the twelve months ended December 31, 2022, and considers that they should not have a material impact on its result and financial situation.

Standards, interpretations and amendments published by the IASB and not yet approved by the European Union were not applied by the Group.

Transaction of entities under common control

In order to better reflect the economics of those transactions between entities under common control the Group has elected to account for the assets and liabilities of acquired companies under common control, at their historical value in the IFRS consolidated account of Worldline. Difference between the purchase price and the net assets is recognized directly in retained earnings.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions to determine the value of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates based on currently available information. Final outcomes could differ from those estimates.

The key estimates and judgment used in preparing the Group's consolidated financial statements relate mainly to:

- Goodwill impairment tests (see Note 9 "Goodwill and fixed assets");
- Revenue recognition and associated costs on long-term contracts (see Note 4 "Revenue, segment information and trade accounts");
- Capitalization of development costs (see Note 9.2 "Intangible assets");
- Valuation of asset acquired and liability assumed in a business combination (see Note 1 "Main changes in the scope of consolidation");
- Discontinued operations (see Note 3 "Assets held for sale and discontinued operations");
- Presentation of assets and liabilities linked to intermediation activities (see Note 5 "Operating items").

Worldline's exposure to the situation in Ukraine and Russia

On March 18, 2022, Worldline informed about its Group exposure to the situation in Ukraine and Russia according to European Securities and Market Authority (ESMA) relayed by the French regulator *Autorité des Marchés Financiers* (AMF) recommendations. Considering the development of the situation in Ukraine and the geopolitical context, the Worldline Group, in compliance with its corporate policies, has been immediately enforcing all the international sanctions applicable to Russia and will pursue doing so as long as necessary. The Group confirmed at that time that its business related to Russia was limited, representing only c. 1.5% of its 2021 estimated proforma annual revenue on continued operations, mainly from its online acceptance business, operated from outside Russia and allowing domestic consumers to transact online with non-Russian international Merchants. More broadly, while having no business exposure to Ukraine, other Eastern European neighboring countries to Russia and Ukraine (Poland, Hungary, Romania, Slovakia, Moldova, Estonia, Lithuania, and Latvia), represent only c. 1.5% of the estimated proforma annual Group's revenues in 2021 on continued operations, of which circa half of it related to transaction processing activities (Financial Services) in the Baltics. These activities are not impacted by the current conflict in Ukraine.

Worldline just still owns a former TSS-related legal entity in Russia which had to be finally carved-out from the scope of the TSS disposal. It has a drastically declining residual business and is expected to be divested or terminated.

As of December 31, 2022, Russian net asset value has been fully impaired (€ 3.7 million).

Consideration of risks related to climate change

The global Group's current exposure to the climate change consequences on short term is limited. Therefore, at this stage, the impacts of climate change on the financial statements are not material.

Worldline is continuously reviewing and improving its value chain to reduce its environmental impact. In addition, the Group is committed to contributing to carbon neutrality through the reduction of energy consumption and the switch to renewable energy, and to leverage responsible purchasing practices.

The deployment of this program is reflected in Worldline's accounts through operational investments, research and development expenses, as well as sponsorship expenses.

Worldline has performed an in-depth analysis of its climate risks. The short-term effects on the Group are not significant and therefore have no impact on the Group's strategic plan, on the basis of which the impairment tests of intangible assets are carried out.

Consolidation methods

<u>Subsidiaries</u>

Subsidiaries are entities controlled directly or indirectly by the Group. The Group controls an entity when it has power over that entity, when it is exposed to variable benefits from that entity and, when due to its power over that entity, has the ability to influence the benefits that it draws from it. The existence and effect of potential voting rights that are currently exercisable or convertible, the governance arrangements including the representation in the governing body with strategic and operational decision-making power over the relevant activities, the rules for appointing key management personnel as well as the contractual relationships and material transactions are considered when assessing whether the Group controls another entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidation from the date on which control ceases.

<u>Associates</u>

Associates are entities over which the Group has significant influence but not control or joint control, generally, but not systematically, accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for by the equity method.

<u>Translation of financial statements denominated in foreign currencies</u>

The balance sheets of companies based outside the euro zone are translated at closing exchange rates. Income statement items are translated based on average exchange rate for the period. Balance sheet and income statement translation adjustments arising from a change in exchange rates are recognized as a separate component of equity under "Translation adjustments".

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euro at the closing date.

<u>Translation of transactions denominated in foreign currencies</u>

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "Other financial income and expenses", except where hedging accounting is applied.

Operating margin and Operating Margin before Depreciation and Amortization (OMDA)

The underlying operating performance on the Group ongoing business is presented within operating margin, while unusual operating income/expenses are separately itemized and presented below the operating margin, in line with the ANC (Autorité des Normes Comptables) recommendation No. 2013-03 (issued on November 7, 2013) regarding the financial statements presentation.

The Operating Margin before Depreciation and Amortization is based on Operating Margin minus items without impact on the cash flows from operations and excluding amortization and depreciation. It however includes provisions for inventory write-downs, while depreciation of terminals is excluded.

Rounding

These consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal. This may in certain circumstances lead to non-material differences between the sum of the figures and the subtotals that appear in the tables.

The policies set out above have been applied in consistency with all years presented.

B.5.7.3. Notes to the consolidated financial statements

Note 1 Main changes in the scope of consolidation

Activities held for sale and divestment

Accounting policies/principles

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income taxes.

The criteria for classification as held for sale are met only when the sale is highly probable, and the asset or disposal group is available for immediate sale on its present terms. Management must be committed to the plan to sell the asset and the sale should be completed within one year from the date of classification.

- Property, plant and equipment and intangible assets are no longer depreciated once classified as held for sale.
- Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in profit or loss after tax from discontinued operations in the income statement.

Additional information is presented in Note 3 "Assets held for sale and discontinued operations". All other notes to the financial statements include amounts for continuing operations unless otherwise stated.

Disposal of TSS (Terminals, Solutions & Services) subsidiary

The Board of Directors approved the strategy to divest TSS in September 2021.
Therefore, in accordance with IFRS 5, TSS was accounted for as held for sale as from September 28, 2021 and presented as a discontinued operation. TSS was previously a reporting segment in accordance with IFRS 8.

On September 30, 2022, Worldline completed the disposal of its 84.96% stake in the share capital of its subsidiary TSS (Terminals, Solutions & Services) to Apollo and lost control of TSS at that date. The remaining 15.04% will be sold on January 1st, 2023 to Apollo and have been measured at Fair Value on September 30,2022. The transaction was completed after all the responsible authorities approved the acquisition by Apollo funds. It marks an important milestone in Worldline's strategy and will simplify the Group's structure and further increase the focus on core payment services.

The consideration received by Worldline includes preferred shares of the entity Poseidon Bidco, TSS acquiring entity, representing 12.7% of its share capital and 5% of its voting rights. At the signing date, the fair value of the preferred shares has been estimated to €640 million. The preferred shares are now accounted as financial assets at fair value through profit or loss according to IFRS 9 Financial instruments

The 15.04% retained in TSS are accounted for as current financial assets measured at fair value through profit or loss in accordance with IFRS9, their disposal being scheduled in January 2023.

TSS net income from operation for the 9 months period ending September 30, 2022, amounts to € 116.3 million.

The loss before tax associated with loss of TSS control amounted to € 94.2 million in 2022 and is recognized in "Net income/(loss) relating to discontinued operations" (see Note 3 "Assets held for sale and discontinued operations").

The tax expense relating to the loss on discontinuance is a positive amount of € 97.5 million in 2022, representing a decrease of the deferred tax impact recognized in 2021 with respect to TSS contemplated disposal (see Note 3 "Assets held for sale and discontinued operations").

Fair value adjustments mainly relate to the recognition of the following assets in the frame of the purchase price allocation process. The selling price of TSS amounts to € 2,109.8 million is mainly composed by:

- € 640.0 million: fair value of Poseidon Bidco preferred shares (classified as non-current financial assets)
- € 311.9 million: fair value of the 15.04% investment retained in TSS and to be sold on January 1rst 2023 (classified as current financial assets)
- € 53.9 million: fair value of the deferred payment to be received by Apollo funds in two years (classified as non-current financial assets)
- payment received in cash of € 1,115.6 million for the year (See the consolidated statement).

(See Note 5.4 “Current financial assets” and Note 7.3 “Non-current financial assets”)

Disposal of Worldline Argentina and Chile

On December 2nd, 2022, Worldline completed the disposal of its 100% stake in the share capital of its subsidiaries Worldline Argentina and Worldline Chile. This transaction has generated a negative impact of € 47.3 million in other operating expenses of the period (see Note 6 “Other operating items”).

Acquisitions

Accounting policies/principles

Business combination

A business combination may involve the purchase of another entity, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations when fulfilling the definition of a business under IFRS 3.

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Non-controlling interests are measured either at fair value or at the entity’s proportionate interest in the net identifiable assets of the acquiree. The Group determines on a case-by-case basis which measurement option to be used to recognize non-controlling interests.

Direct transaction costs related to a business combination are charged to the income statement when incurred and presented as part of the Other Operating Income.

During the first consolidation, all the assets, liabilities and contingent liabilities of the subsidiary acquired are measured at their fair value.

Purchase of non-controlling interests and sale of interests in a controlled subsidiary

Purchase of non-controlling interests and sale transactions of interests in a controlled subsidiary that do not change the status of control are recorded through shareholders’ equity (including direct acquisition costs).

If control in a subsidiary is lost, any gain or loss is recognized in net income. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in net income.

Acquisition of Axepta, merchant acquiring activities

In July 2021, worldline announced its intention to enter a strategic partnership with BNL in merchant acquiring in Italy. The partnership with BNL banking group through the acquisition of 80% of Axepta Italy is a further significant development in Worldline's consolidation strategy, expending its Merchant Services activities in Southern Europe and offering attractive growth opportunities to distribute Worldline's payment products and services by leveraging BNL's network of customers.

The acquisition was completed on January 4,2022 and consideration transferred for the 80% amount to € 182.2 million.

(in € million)	**Goodwill**	
Total consideration transferred (80%)	182.2	
Remaining non controlling interests (20%)	45.5	
Total consideration	**227.7**	**a**
Equity acquired	14.5	
Customer relationship	27.0	
Acquired technology	13.9	
Deferred tax liabilities	(8.8)	
Fair value of net assets	**46.6**	**b**
Total 31.12.2022 - Preliminary Goodwill	**181.1**	**c = a - b**

Fair value adjustments mainly relate to the recognition of the following assets in the frame of the purchase price allocation process:

- Customer relationships: € 27.0 million;
- Technologies: € 13.9 million.

The valuation methods used for each of these assets are as follows:

- Customer relationships: excess earnings method;
- Technologies: relief-from-royalty method and replacement cost method.

The key assumptions for the valuation are based on a discount rate in line with the activity and the remaining useful life specific to each asset considering the respective attrition profiles.

Those new intangibles assets have been determined by an independent expert and will be depreciated over a period between 9 and 12 years, depending on customers, for customer relationships and over a period between 3 and 5 years for technologies.

An amortization expense of € 6.9 million was recorded for the year 2022.

BNL has a put option on the remaining 20% of Axepta and Worldline has a call option with an exercice date in June 2025 at price which represent a multiple of Ebidta less net debt.

A put on minority interests has been accounted for in borrowings for € 78.5 million at acquisition date, and represents the present value of cash out flow estimated to acquire the remaining 20%.

In accordance with IFRS 3, Worldline has chosen to apply the full goodwill method.

These estimates are still preliminary and may be adjusted within one year of the acquisition depending on facts and circumstances existing at acquisition date. The residual goodwill is attributable to highly skilled workforce and some knowhow. It also reflects the synergies expected from integrating Axepta operations into the Group.

On April 1st, 2022, Worldline announced the completion of the acquisition of a controlling stake in the commercial acquiring business of ANZ and the creation of a 51%-49% joint-venture controlled by Worldline to operate and develop commercial acquiring services in Australia with ANZ Bank, one of the largest banks in Asia-Pacific and Australia's 3rd largest acquirer with a c. 20% share of transaction volumes processed in Australia.

The acquisition was completed for an amount of € 307.0 million. This entity is fully integrated in the financial statements.

(in € million)	**Goodwill**	
Total consideration transferred (51%)	307.0	
Remaining non controlling interests (49%)	316.0	
Total consideration	**623.0**	**a**
Equity acquired	90.0	
Customer relationship	131.0	
Brand	6.9	
Deferred tax liabilities	(41.4)	
Fair value of net assets	**186.5**	**b**
Total 31.12.2022 - Preliminary Goodwill	**436.4**	**c = a - b**

Fair value adjustments mainly relate to the recognition of the following assets in the frame of the purchase price allocation process:

- Customer relationships: € 131.0 million;
- Brand: € 6.9 million.

The valuation methods used for each of these assets are as follows:

- Customer relationships: excess earnings method;
- Brand: relief-from-royalty method.

The key assumptions for the valuation are based on a discount rate in line with the activity and the remaining useful life specific to each asset considering the respective attrition profiles.

Those new intangibles assets have been determined by an independent expert and will be depreciated over a period between 7 and 12 years, depending on customers, for customer relationships and over a period of 10 years for brand. An amortization expense of € 10.4 million was recorded for the year 2022.

In accordance with IFRS 3, Worldline has chosen to apply the full goodwill method.

These estimates are still preliminary and may be adjusted within one year of the acquisition depending on facts and circumstances existing at acquisition date. The residual goodwill is attributable to highly skilled workforce and some knowhow. It also reflects the synergies expected from integrating ANZ operations into the Group.

Acquisition of merchant acquiring activities from Eurobank

On December 7, 2021, Worldline announced the signing of a binding agreement for the acquisition of 80% of Eurobank Merchant Acquiring activities, one of the main acquirers in Greece with a c. 20% market share.

The acquisition was completed on June 30, 2022 for an amount of € 254.6 million.

(in € million)	**Goodwill**	
Total consideration transferred (80%)	254.6	
Deferred consideration	16.0	
Remaining non controlling interests (20%)	67.6	
Total consideration	**338.2**	**a**
Equity acquired	0.0	
Customer relationship	87.5	
Deferred tax liabilities	(19.3)	
Fair value of net assets	**68.3**	**b**
Total 31.12.2022 - Preliminary Goodwill	**269.9**	**c = a - b**

Fair value adjustments mainly relate to the recognition of the customer relationships for 87.5 M€ based on the excess earnings method.

The key assumptions for the valuation are based on a discount rate in line with the activity and the remaining useful life specific to each asset considering the respective attrition profiles.

Those new intangibles assets have been determined by an independent expert and will be depreciated over a period between 7 and 11 years, depending on customers. An amortization expense of € 5.2 million was recorded for the year 2022.

In accordance with IFRS 3, Worldline has chosen to apply the full goodwill method.

These estimates are still preliminary and may be adjusted within one year of the acquisition depending on facts and circumstances existing at acquisition date. The residual goodwill is attributable to highly skilled workforce and some knowhow. It also reflects the synergies expected from integrating Eurobank operations into the Group.

Worldline and Eurobank granted to each other a combination of call and put options through which Worldline took the commitment to acquire the 20% minority stake in 2025.

A put on minority interests has been accounted for in borrowings for € 67.6 million at acquisition date, and represents the present value of cash out flow estimated to acquire the remaining 20%.

Note 2 Other significant events of the year

No other significant event.

Note 3 Assets held for sale and discontinued operations

Disposal of TSS (Terminals, Solutions & Services) subsidiary

On September 28, 2021, the Board of Directors has validated the strategy to divest TSS (Terminals, Solutions & Services) segment, mainly consisting of Banks and Acquirers International Holding and its subsidiaries operating the Group's terminal business (design and sale of payment terminals and related services). Since that date, TSS was accounted for as held for sale, in accordance with IFRS 5 and presented as a discontinued operation. TSS was previously a reporting segment in accordance with IFRS 8.

On February 18, 2022, Worldline has entered into exclusive talks with the Apollo Funds (NYSE: APO) on the basis of a binding offer for the purchase of 100% of the shares of TSS.

Following a favorable vote, and after obtaining regulatory approvals, the disposal of 84,96% of Terminal, Software, and Services ('TSS") business s was completed on September 30, 2022. The Group retains a 15.04% residual interest in the entity, which is planned to be sold on January 1st, 2023.

In accordance with IFRS 10 principles, this transaction leads to a loss of exclusive control of "TSS" business. Consequently, the assets and liabilities of TSS business, which were classified as assets held for sale in consolidated financial statements at year-end 2021 in accordance with IFRS 5 Non-current assets held for sale and discontinued operations, were derecognized on completion date.

The net result of discontinued operations realized in 2021 and from January 1st, 2022 to September 30, 2022 is presented on a single line of the income statement for the corresponding periods.

The scope of this disposal (TSS) mainly includes the sub-group formed by Banks and Acquirers International Holding and its subsidiaries (TSS segment), thus constituting a separate main line of business within the meaning of IFRS 5;

Recyclable and non-recyclable items relating to discontinued operations are presented separately, on specific lines of the statement of comprehensive income as at December 31, 2021 and 2022.

Cash flows attributable to discontinued operations are presented separately

For the period ending December 31, 2022, the net profit from discontinued operation amounts to € 88.5 million comprising mainly:

- TSS net income from operation for the 9 months period ending September 30, 2022, amounts to € 116.3 million;
- Cost incurred in connection with TSS disposal for an amount of € 30.9 million net of tax or € 37.9 million before tax (including IFRS 2 accelerated vesting charges for an amount of € 11 million);
- The loss before tax associated with loss of TSS control € 94.2 million, including the reversal in net income of cumulative currency translation adjustment of TSS net asset (a gain of € 92.8 million existed as of December 31, 2021);
- The tax expense relating to the loss on discontinuance is a positive amount of € 97.5 million in 2022, representing a decrease of the deferred tax impact recognized in 2021 as a consequence of TSS contemplated disposal.

The information provided below details the contribution of the Terminal, Software & Services (TSS) business being sold on the main Group aggregates.

3.1. Net income from discontinued operations

TSS (Terminals, Solutions & Services) subsidiary

(In € million)	12 months ended December 31, 2022 (*)	12 months ended December 31, 2021
Revenue	**998.9**	**1,208.1**
Personnel expenses	(199.7)	(225.1)
Operating expenses	(585.7)	(689.0)
Operating margin	**213.5**	**293.9**
% of revenue	***21.4%***	***24.3%***
Other operating income and expenses	(148.4)	(1,041.8)
Operating income	**65.0**	**(747.9)**
% of revenue	***6.5%***	***-61.9%***
Financial expenses	(15.1)	(7.2)
Financial income	4.3	6.9
Net financial expenses	**(10.8)**	**(0.3)**
Net income before tax	**54.2**	**(748.2)**
Tax charge	34.3	(194.2)
Net income	**88.5**	**(942.5)**

(*) Nine-month activity in 2022

As requested by IFRS 5, Worldline has no longer recognized any depreciation and amortization expense on the property, plant and equipment and intangible assets of TSS since end of September 2021, resulting in savings before tax of € 23.5 million during the 9 months of 2022 and € 5.9 million in 2021 for the last three months of the year.

In 2022, other operating income and expenses included notably:

- The loss before tax associated with loss of TSS control of € 94.2 million;
- Equity based compensation & costs directly linked to TSS disposal for € 37.9 million;

In 2021, other operating income included:

- Impairment of TSS Goodwill for an amount of € 907.4 million;
- Expenses in connection with the disposal of TSS for € 10.8 million;

In 2022, the tax charge includes a gain of € 97.5 million in relation to the loss on discontinuance, representing a decrease of the deferred tax impact recognized in 2021 with respect to TSS disposal. In 2021, the tax charge included € 145 million related to TSS contemplated disposal.

3.2. Cash flow from discontinued Terminal, Software & Services activities

(In € million)	**12 months ended December 31, 2022 (*)**	**12 months ended December 31, 2021**
Net cash from/ (used in) operating activities	**101.1**	**230.4**
Net cash from/ (used in) investing activities	**(98.3)**	**(58.4)**
Net cash from/ (used in) financing activities	**(20.3)**	**(11.3)**
Impact of exchange rate fluctuations on cash and cash equivalents	16.7	**8.3**
Total change in net cash of TSS discontinued activities	**(0.8)**	**169.0**

(*) Nine-month activity in 2022

3.3. Assets and liabilities held for sale

Assets and liabilities held for sale are detailed as follows:

(In € million)	**12 months ended December 31, 2022**	**12 months ended December 31, 2021**
Goodwill		1,214.9
Other Intangible assets		920.2
Tangible assets		27.2
Right-of-use		34.9
Non-current financial assets		8.9
Deferred tax assets		46.5
Other non-current assets		5.2
Total non-current assets		**2,257.8**
Inventories		88.5
Trade accounts and notes receivables		335.3
Current taxes		17.5
Other current assets		134.0
Current financial instruments		0.3
Cash and cash equivalents		215.1
Total current assets		**790.7**
Total assets		**3,048.5**

(In € million)	**12 months ended December 31, 2022**	**12 months ended December 31, 2021**
Provisions for pensions and similar benefits		12.4
Non-current provisions		39.8
Borrowings		0.1
Deferred tax liabilities		204.6
Non-current lease liabilities		33.8
Total non-current liabilities		**290.7**
Trade accounts and notes payables		301.8
Current taxes		29.0
Current financial instruments		0.6
Current portion of borrowings		11.7
Other current liabilities		261.0
Total current liabilities		**604.1**
Total liabilities		**894.8**

Note 4 Revenue, segment information and trade accounts

Accounting policies/principles

Revenue is recognized if a contract exists between Worldline and its customer. A contract exists if collection of consideration is probable, rights to goods or services and payment terms can be identified, and parties are committed to their obligations. Revenue from contracts with customers is recognized either against a contract asset or receivable, before effective payment occurs.

Multiple arrangements services contracts

The Group may enter multiple-element arrangements, which may include combinations of different goods or services. Revenue is recognized for each distinct performance obligation which is separately identifiable from other items in the arrangement and if the customer can benefit from it.

When a single contract contains multiple distinct performance obligations, the total transaction price is allocated between the different performance obligations based on their stand-alone selling prices. The stand-alone selling prices including usual discounts granted are determined based on the list prices at which the Group sells the goods or services separately. Otherwise, the Group estimates stand-alone selling prices using a cost-plus margin approach and/or the residual approach.

Worldline applies the practical expedient of IFRS 15 and recognize revenue when invoiced as invoicing is phased with delivery to the customer. In some specific contracts, invoicing of the run embeds performance obligation which are not fully phased with the invoicing flow. In that case, revenue allocated to this dedicated performance obligation is recognized as soon as the performance obligation is achieved.

As Worldline is providing stand-alone value to its customers as part of the build phases, build phases will be considered as a separate obligation under IFRS 15 and revenue will be recognized with respect to contract costs.

At a point of time versus over time recognition

Revenue is recognized when the Group transfers the control of a good or service to the customer, either at a point in time or over time.

Income from contracts concluded by the Group with customers for the sale of payment terminals and other products represent a performance obligation. Revenue is recognized when control of the asset is transferred to the customer, which is generally when the equipment is delivered.

Where other contractual undertakings constitute separate performance obligations, a portion of the transaction price is allocated to them.

For recurring services, the revenue is recognized over time as the customer simultaneously receives and consumes the benefit provided by the Group's performance as the Group performs. If the Group has a right to invoice a customer at an amount that corresponds directly with its performance to date, the revenue is recognized at that amount. Otherwise, revenue is recognized on a straight-line basis or based on the costs incurred if the entity's efforts are not expensed evenly throughout the period covered by the service.

When the Group builds an asset or provides specific developments, revenue is recognized over time, generally based on costs incurred, , when (i) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or (ii) the performance does not create an asset with an alternative use and the Group has an enforceable right to payment, by the contract and/or local regulations, for the performance completed to date. Otherwise, revenue is recognized at a point in time.

Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized. A provision for onerous contract is booked if the future unavoided costs to fulfil a contract are higher than its related benefits.

Revenue from contracts concluded by the Group with customers for the lease or services linked to payment terminals is recognized over time.

Financing component

When Worldline expects the period between customer payment and the transfer of goods and services to be greater than 12 months, it assesses whether the contract is embedding a financing component granted or received. When significant, interests generated by this financing component are booked separately from revenue.

Contract costs – Costs to obtain and fulfil a contract

Incremental costs to acquire a multi-year service contracts are capitalized and amortized over the life of the contract.

Transition & Transformation costs that do not represent a separate performance obligation of a contract are capitalized as contract costs if they create a resource that will be used to perform other performance obligations embedded in the contract and the costs are expected to be recovered. Other costs incurred to obtain or fulfil a contract are expensed when incurred.

Variable remunerations

A repayment liability is recognised for the obligation to repay a portion of the consideration received (or receivable) from a customer. The repayment obligations arise mainly from the customer's volume discounts (on MS segment run contracts). The liability is measured at the amount that the Group expects to ultimately have to return to the customer. The Group updates its estimates of the refund liability (and the corresponding change in transaction price) at the end of each reporting period.

The Group's expected volume discounts are analysed by customer. Determining whether a customer is likely to be entitled to a rebate will depend on the customer's rebate entitlement history and cumulative purchases to date.

Principal versus agent

When the Group resells telecommunication embedded and IT services purchased from third-party suppliers, it performs an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as agent in the delivery of the good or service. The Group is a principal if it controls the specified good or service before it is transferred to the customer. In such case, revenue is recognized on a gross basis. If the Group is an agent, revenue is recognized on a net basis (net of suppliers' costs), corresponding to any fee or commission to which the Group is entitled. When the Group is providing a significant service of integrating the specified good or service, it is acting as a principal in the process of resale. If the specified good or service is distinct from the other services promised to its customer, the Group is acting as a principal notably if it is primarily responsible for the good or service meeting the customer specifications or assumes inventory or delivery risks.

Revenue generated by acquiring activities is recognized net of interchange fees charged by issuing banks. The Group does not provide a service of integrating the service performed by the issuing bank and is not responsible for the execution of this service. These fees are transferred to the merchant in a pass-through arrangement and are not part of the consideration to which the Group is entitled in exchange for the service it provides to the merchant. In contrast, scheme fees paid to the payment schemes (Visa, MasterCard, Bancontact…) are accounted for in expenses as fulfilment costs and recognized as revenue when invoiced to merchants. The Group provides commercial acquiring services by integrating the services purchased from the payment schemes.

Balance sheet presentation

Contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. When the rights to consideration are unconditional, they are classified as trade receivables.

Contract liabilities relate to upfront payments received from customers in advance of the performance obligation. Capitalized contract costs are presented separately from contract assets.

Certain service arrangements might qualify for treatment as lease contracts under IFRS 16 if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers.

4.1. Segment information

Accounting policies/principles

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company Chief Executive Officer who makes strategic decisions.

The internal management reporting is designed based on Global Business Lines (Merchant Services, Financial Services, and Mobility & e-Transactional Services). Global Business Lines have been determined by the Group as key indicators by the chief operating decision maker. As a result, and for IFRS 8 requirements, the Group discloses Global Business Lines (GBL) as operating segments. Each GBL is managed by a dedicated member of the Executive Committee.

The P&L indicators as well as the fixed assets have been allocated according to these GBL segments. On OMDA, a part of the cost related to Global Structures has not been allocated by GBL. Regarding Group Assets, the shared assets not allocated by GBL primarily relate to shared infrastructure delivering mutualized services to those three GBL.

The activities covered by each operating segment as well as their geographical footprint are as follows:

Operating segments	Business divisions	Geographical areas
Merchant Services	Commercial Acquiring, Omnichannel Payment Acceptance and Digital Services	Australia, Austria, Belgium, Brazil, Canada, Czech republic, France, Germany, Greece, India, Italy, Luxembourg, Malaysia, New-Zealand, Nordic countries, Poland, Spain, Switzerland, Turkey, the Netherlands, the United Kingdom, USA.
Financial Services	Issuing Processing, Acquiring Processing, Digital Banking, Account Payments	Austria, Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Switzerland, Taiwan, the Netherlands and the United Kingdom.
Mobility & e-Transactional Services	Trusted Digitization, e-Ticketing, e-Consumer & Mobility	Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, the Netherlands and the United Kingdom.

Geography is not a managerial axis followed by the Group.

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

No external customer generates more than 10% of total Group sales.

The operating segment information for the period was the following:

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	**Total Group**
12 months ended December 31, 2022				
Revenue by Global Business Lines	**3,041.1**	**957.8**	**365.2**	**4,364.1**
% of Group revenue	69.7%	21.9%	8.4%	**100.0%**
12 months ended December 31, 2021				
Revenue by Global Business Lines	**2,415.5**	**926.5**	**347.3**	**3,689.4**
% of Group revenue	65.5%	25.1%	9.4%	**100.0%**

The “Merchant Services” external revenue is presented net of interchange bank commissions.

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Global structures	**Total Group**
12 months ended December 31, 2022					
Operating Margin before Depreciation and Amortization (OMDA)	**868.7**	**271.9**	**53.1**	**(61.2)**	**1,132.5**
% revenue	28.6%	28.4%	14.5%	(1.4%)	**25.9%**
12 months ended December 31, 2021					
Operating Margin before Depreciation and Amortization (OMDA)	**629.3**	**290.9**	**51.8**	**(38.6)**	**933.5**
% revenue	26.1%	31.4%	14.9%	(1.0%)	25.3%

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is determined as follows:

(In € million)	**12 months ended December 31, 2022**	**12 months ended December 31, 2021**	**Variation**
Operating margin	**864.1**	**668.1**	**196.0**
+ Depreciation of fixed assets	256.7	242.1	14.6
+ Net book value of assets sold/written off	4.7	11.6	(6.9)
+/- Net charge/(release) of pension provisions	7.2	7.3	(0.1)
+/- Net charge/(release) of provisions	(0.2)	4.5	(4.7)
OMDA	**1,132.5**	**933.5**	**199.0**

The assets detailed above by Global Business Lines are reconciled to total assets as follows:

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Shared (*)	**Total Group**
As at December 31, 2022					
Total fixed assets by Global Business Lines	**11,315.8**	**1,676.5**	**103.8**	**75.3**	**13,171.4**
Goodwill	**8,890.6**	**1,270.3**	**22.5**	**-**	**10,183.4**
% of Group goodwill	87.3%	12.5%	0.2%	-	**100.0%**
Other intangible assets	**2,116.3**	**303.8**	**32.5**	**14.6**	**2,467.3**
Tangible assets	**144.6**	**39.9**	**15.1**	**27.5**	**227.0**
Right-of-Use	**164.4**	**62.6**	**33.6**	**33.2**	**293.8**

** part of intangible and tangible assets are not directly attributable to one single Global Business Line as they are mutualized assets usable and shared between the three GBL*

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Shared (*)	**Total Group**
As at December 31, 2021					
Total fixed assets by Global Business Lines	**10,284.0**	**1,645.5**	**105.7**	**74.0**	**12,109.2**
Goodwill	**8,061.3**	**1,241.9**	**26.3**	**-**	**9,329.6**
% of Group goodwill	86.4%	13.3%	0.3%	-	**100.0%**
Other intangible assets	**1,962.5**	**300.5**	**29.0**	**13.4**	**2,305.4**
Tangible assets	**116.0**	**28.1**	**20.0**	**30.0**	**194.1**
Right-of-Use	**144.2**	**75.0**	**30.4**	**30.5**	**280.1**

** part of intangible and tangible assets are not directly attributable to one single Global Business Line as they are mutualized assets usable and shared between the three GBL*

The geographical segment information for the period was the following:

(In € million)	Northern Europe (*)	Central & Eastern Europe	Southern Europe	Other	**Total Group**
12 months ended December 31, 2022					
External revenue by geographical area	**2,011.6**	**1,013.6**	**878.0**	**461.0**	**4,364.1**
% of Group revenue	46.1%	23.2%	20.1%	10.6%	100.0%

(In € million)	Northern Europe (*)	Central & Eastern Europe	Southern Europe	Other	**Total Group**
12 months ended December 31, 2021					
External revenue by geographical area	**1,385.3**	**1,296.9**	**738.6**	**268.6**	**3,689.4**
% of Group revenue	37.5%	35.2%	20.0%	7.3%	100.0%

* including France for € 567,6 million (€ 556.2 million in 2021)

This geographical view is based on seller countries and may concern other geographies on online activities.

The fixed assets are mainly comprised of goodwill and capitalized development expenses which are non-attributable by geographical area because they are allocated to several areas. The rest is composed of tangible assets which are not significant. Therefore, it is not relevant to present the non-current assets by geographical area.

4.2. Trade accounts and notes receivables

Accounting policies/principles

Trade accounts and notes receivable

Trade accounts and notes receivable are recorded initially at their fair value and subsequently at their amortized value. The nominal value represents usually the initial fair value for trade accounts and notes receivable. In case of deferred payment over one year, where the effect is significant on fair value, trade accounts and notes receivables are discounted. Where appropriate, a provision is raised on an individual basis to take likely recovery problems into account.

(In € million)	**As at December 31, 2022**	**As at December 31, 2021**
Contract assets	299.3	235.3
Trade receivables	468.2	476.6
Expected credit losses allowance	(44.8)	(31.5)
Net asset value	**722.7**	**680.5**
Contract liabilities (*)	(185.4)	(135.4)
Net accounts receivable	**537.3**	**545.1**
Number of days sales outstanding (DSO)	**31**	**32**

* Contract liabilities are presented in other current liabilities, see Note 5.4

Net accounts receivable represents 12.3% of 2022 revenue (14.8% at end of 2021).

For balances outstanding for more than 60 days, the Group considers the need for depreciation on a case-by-case basis through a quarterly review of its balances.

Ageing of past due receivables

(In € million)	**As at December 31, 2022**	**As at December 31, 2021**
0-30 days overdues	29.0	25.6
30-60 days overdues	10.7	7.5
60-90 days overdues	8.5	7.1
Beyond 90 days overdues	37.9	32.7
Total	**86.0**	**73.0**

Note 5 Operating items

5.1. Personnel expenses

(In € million)	12 months ended December 31, 2022	*% Revenue*	12 months ended December 31, 2021	*% Revenue*
Wages, salaries & social security charges	(1,379.2)	*31.6%*	(1,227.5)	*33.3%*
Tax, training, profit-sharing	(9.2)	*0.2%*	(15.7)	*0.4%*
Net (charge)/release to provisions for staff expenses	0.8	*0.0%*	1.0	*0.0%*
Net (charge)/release to provisions for pensions and similar Benefits	(7.2)	*0.2%*	(7.3)	*0.2%*
Total	**(1,394.7)**	***32.0%***	**(1,249.5)**	***33.9%***

5.2. Non-personnel operating expenses

Accounting policies/principles

Subcontracting costs

Subcontracting costs consist of the cost for subcontracted services, roughly half of which is typically IT subcontracting, mostly on a time & materials basis. The other half comes from other outsourced services, which mainly include non-IT services such as printing, mailing and other statement preparation activity and ATM services. The level of these expenses in any given period is mainly driven by the number of projects in the project phase, some aspects of which the Group may decide to outsource rather than handle in-house, and customer volumes, which drive costs that are dependent on volume, such as printing, mailing and statement activity.

Scheme fees

Include the fees paid to Visa, MasterCard, Bancontact (Belgium debit card scheme) and other local card schemes as part of the Group's Commercial Acquiring activities.

Capitalized production costs

Operating expenses are reported net of capitalized production costs. Costs of specific application development for clients or technology solutions made available to a group of clients with a useful life of the underlying asset greater than one year are capitalized. Their aggregate amount is offset in the profit and loss statement through this line item.

(In € million)	12 months ended December 31, 2022	*% Revenue*	12 months ended December 31, 2021	*% Revenue*
Subcontracting costs	(504.4)	*11.6%*	(416.7)	*11.3%*
Operating costs	(572.1)	*13.1%*	(484.3)	*13.1%*
Hardware and software purchase	(231.3)	*5.3%*	(271.7)	*7.4%*
Scheme fees	(601.3)	*13.8%*	(380.8)	*10.3%*
Maintenance costs	(105.6)	*2.4%*	(70.7)	*1.9%*
Subtotal expenses	**(2,014.7)**	***46.2%***	**(1,624.2)**	***44.0%***
Depreciation of assets	(256.7)	*5.9%*	(242.1)	*6.6%*
Net (charge)/release to provisions	1.0	*0.0%*	(4.3)	*-0.1%*
Gains/(Losses) on disposal of assets	(4.4)	*0.1%*	(7.7)	*0.2%*
Trade Receivables write-off	(6.2)	*0.1%*	(6.8)	*0.2%*
Capitalized Production	175.7	*-4.0%*	113.2	*-3.1%*
Subtotal other expenses	**(90.6)**	***2.1%***	**(147.7)**	***4.0%***
Total	**(2,105.3)**	***48.2%***	**(1,771.9)**	***48.0%***

Depreciation of assets represents amortization charges of Intangibles and tangibles assets, excluding customer relationship and patent amortization recognized at fair value of assets acquired in a business combination which are presented in other operating income and expenses (see Note 6 "Other operating income and expenses").

The increase in scheme fees is mainly related to the recent acquisitions in Australia, Italy and Greece.

5.3. Trade payables and note payables

(In € million)	As at December 31, 2022	As at December 31, 2021
Trade payables and note payables	717.7	646.2
Trade payables and note payables	**717.7**	**646.2**
Advance payments	(37.0)	(22.3)
Prepaid expenses	(74.0)	(66.2)
Net accounts payable	**606.7**	**557.7**
Number of days payable outstanding (DPO)	**76**	**68**

Trade payables and note payables are expected to be paid within one year.

Prepaid expenses are mostly related to software licenses, rental expenses, support contracts and long-term maintenance.

In 2022, Worldline restated the DPO published in 2021 to integrate the scheme fees in the cost base.

5.4. Other current assets and other current liabilities

Accounting policies/principles

Inventory

Inventory which mainly consists in payment terminals, are assessed at the lower of cost or net realizable value. The net realizable value is the estimated selling price in the normal course of business, less estimated costs deemed necessary to sell. Inventory cost is determined according to the weighted average method and include the acquisition costs and incidental expenses. A provision is recorded if the carrying amount exceeds the net realizable value.

Current assets and current Liabilities

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations, which can extend beyond 12 months following period-end. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, financial receivables and provisions represent the Group's working capital requirement.

5.4.1. Inventories

(In € million)	As at December 31, 2022	As at December 31, 2021
Terminals & consumables	72.1	47.5
Allowances on inventories	(4.5)	(5.4)
Total	**67.6**	**42.1**

5.4.2. Other current assets

(In € million)		As at December 31, 2022	As at December 31, 2021
VAT receivables		87.0	58.3
Prepaid expenses	Note 5.3	74.0	66.2
Other receivables & current assets		97.0	114.7
Advance payment	Note 5.3	37.0	22.3
Total		**295.0**	**261.5**

5.4.3. Current financial instruments

(In € million)	As at December 31, 2022	As at December 31, 2021
Assets derivatives	2.8	8.7
Other current financial assets	313.0	-
Total	**315.9**	**8.7**

Other current financial assets mainly correspond to the fair value of the remaining 15.04% of TSS investment which will be sold on January 1st, 2023 (€ 311.9 millions).

5.4.4. Other current liabilities

(In € million)	As at December 31, 2022	As at December 31, 2021
Contract liability	185.4	135.4
Employee-related liabilities	172.6	163.0
Social security and other employee welfare liabilities	89.7	63.8
VAT payable	104.2	80.4
Other operating liabilities	155.0	66.3
Total	**706.8**	**508.8**

Contract liability mainly consists in advanced payments on the initial phase of processing contracts.

Other current liabilities are expected to be settled within one year, except for contract liability that is released over the arrangement of the corresponding contract. Other operating liabilities includes payables on fixed assets and fees on business account cards services that Worldline delivers to merchants of the hospitality and retail sector particularly in UK.

5.5. Intermediation activities

Accounting policies/principles

As part of its merchant services activity, in particular for commercial acquiring and collecting business, the Group provides intermediation between merchants, credit card issuers, and end consumers. The expected funds corresponding to the end consumer's payment as well as funds received and not yet remitted to merchants are recorded as balance sheet assets in specific accounts, i.e., excluded from cash and cash equivalents. The counterparty is a payable due to merchants.

The balance sheet distinguishes two types of assets:

- receivables against credit card issuers, in connection with transactions conducted on behalf of merchants but not yet settled by the companies that issued the cards;
- funds received for transactions not yet settled for merchants and transactions reimbursable to consumers.

Liabilities on the balance sheet related to intermediation activities comprise mainly:

- liabilities in connection with funds from consumers that have not yet been transferred to merchants;
- liabilities in connection with merchant warranty deposits.

Through this intermediation activity, Worldline and its affiliates are facing cash fluctuations due to the lag that may exist between the payment to the merchants and the receipt of the funds from the payment schemes (Visa, MasterCard or other schemes).

Some funds may be remitted to merchants even before they have been received by the Group from the credit card issuers. The duration of this merchant prefinancing is generally one or two days. To avoid drawing on its cash to provide this upfront remittance to merchants, the Group may use specific bank financing. This bank financing is included in debts related to intermediation activities.

Payment Schemes also define interchange fees that apply except if there is a bilateral agreement between the Acquirer and the Issuer. Worldline has no such bilateral agreement with the Issuers. Interchange fees are consequently completely driven by the rates defined by the card issuing banks.

The Group isolated in dedicated lines assets and liabilities related to its intermediation activities (net of interchange fees).

(In € million)	**As at December 31, 2022**	**As at December 31, 2021**
Receivables linked to intermediation activities	2,790.3	816.9
Funds related to intermediation activities	1,977.1	1,753.2
Total assets linked to intermediation activities	**4,767.4**	**2,570.1**
Payables linked to intermediation activities	4,729.4	2,533.0
Credit facilities specific to intermediation activities	38.0	37.1
Total liabilities linked to intermediation activities	**4,767.4**	**2,570.2**

The increase in assets and liabilities is mainly related to both the acquisitions of the year (acquisitions of merchant acquiring activities from Eurobank, Axepta & ANZ) and a calendar effect (December 31, 2022 was a Saturday), as settlement is done during working day.

Note 6 Other operating income and expenses

Accounting policies/principles

"Other operating income and expenses" covers income or expense items that are unusual and infrequent. They are presented below the operating margin.

They encompass :

- Staff Reorganization (e.g., plans related to business combinations, severance plans),
- Rationalization costs, transformation plans, real estate costs (e.g., office & Datacenter consolidation),
- Integration & Acquisition (e.g., Synergy plan implementation costs, M&A acquisition costs),
- the cost of equity based compensation plans,
- the amortization of the Customer relationships amortizations, and
- Other costs / income related to major litigations, and capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, or any other item that is infrequent and unusual.

Classification of charges to (or release from) restructuring and rationalization and associated costs provisions in the income statement depends on the nature of the plan:

- Plans directly in relation with operations are classified within the "Operating margin";
- Plans related to business combinations or qualified as unusual, abnormal and infrequent are classified in the "Other operating expenses".

If a restructuring plan qualifies for "Other operating expenses", the related real estate rationalization & associated costs expenses regarding premises and buildings is also presented in "Other operating expenses".

"Other operating income and expenses" also include major litigations, and capital gains and losses on the disposal of tangible and intangible assets, significant impairment losses on assets other than financial assets, the amortization of the Customer Relationships, the cost of equity based compensation plans or any other item that is infrequent and unusual.

<u>Equity-based compensation</u>

Stocks options and performance shares are granted to management and certain employees at regular intervals. These equity-based compensations are measured at fair value at the grant date using the Black and Scholes option-pricing model. Changes in the fair value of options – taking into account assumptions such as personnel turnover and fulfilment of performance conditions – after the grant date have no impact on the initial valuation. The fair value of the instrument is recognized in "Other Operating Income", on a straight-line basis over the period during which those rights vest, using the straight-line method, with the offsetting credit recognized directly in equity.

Employee Share Purchase Plans offer employees the opportunity to invest in Group's shares at a discounted price. Shares are subject to a lock-up period restriction. Fair values of such plans are measured taking into account:

- The exercise price based on the average opening share prices quoted over the 20 trading days preceding the date of grant;
- The percent discount granted to employees;
- The number of free shares granted linked to the individual subscriptions;
- The consideration of a lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and,
- The grant date: date on which the plan and its term and conditions, including the exercise price, is announced to employees.

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Staff reorganization	(28.5)	(11.4)
Rationalization and associated costs	(8.8)	(26.7)
Integration and acquisition costs	(155.0)	(86.0)
Equity based compensation & associated costs	(37.3)	(51.5)
Customer relationships and patents amortization	(237.6)	(188.7)
Other items	(61.8)	0.4
Total	**(529.0)**	**(363.9)**

Staff reorganization expenses of € 28.5 million increased by € 17,1 million compared to last year and corresponded mainly to the implementation of synergy plans and costs induced by the recent acquisitions and the new target operating model.

The € 8.8 million of **rationalization and associated costs,** decreasing by 17.9 million**.** In 2021 the € 26.7 million of rationalization and associated costs resulted mainly from headquarters relocation.

Integration and acquisition costs reached € 155.0 million, increasing by € 69 million, mainly related to the ramp-up of synergy implementation from Ingenico acquisition, the set up of the joint venture in Australia with ANZ and other recent acquisitions (Handelsbanken merchants portfolio and Italian Joint venture with BNL).

The 2022 **customer relationships and patents amortization** of € 237.6 million corresponded mainly to:

- € 134.0 million of Ingenico customer relationships, technologies and patents;
- € 47.2 million of SIX Payment Services customer relationships, technologies and patents;
- € 21.1 million of Cardlink customer relationships, technologies and patents;
- € 10.4 million of ANZ customer relationships, technologies and patents;
- € 8.3 million of equensWorldline customer relationships, technologies and patents.
- € 6.9 million of Axepta customer relationships, technologies and patents.

Other items totalled € 61.8 million and are mainly related to a loss resulting from the divestment of 2 entities in Latin America for € 47.3 million largely generated by cumulative translation adjustment reserves booked in P&L.

6.1. Equity-based compensation

Equity-based compensation for € 37.3 million expenses in 2022 (€ 51.5 million in 2021) is mainly related to 2019, 2020, 2021 and 2022 free share plans, the 2019, 2020, 2021 and 2022 stock option plans, and some social charges linked to those plans.

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Free share plans	33.2	48.0
Stock option plans	1.8	2.0
Employee share purchase plans	1.5	0.5
Others	0.8	1.0
Total	**37.3**	**51.5**

6.2. Free share plans

Rules governing the free shares plans are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the Group or a company employee related to Worldline at the time of grant and vesting;
- Vesting is also conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial;
- The financial performance criteria relate to the following indicators:
    - Group revenue organic growth; and,
    - Group Operating Margin before Depreciation and Amortization (OMDA), and
    - Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (FCF).

As from the plans allocated in 2020, financial performance criteria are representing 80% of performance criteria conditioning the total vesting. The remaining 20% of the performance criteria conditioning the total vesting are relating to Corporate Social Responsibility.

The vesting period varies according to the plans rules but never exceeds 3.5 years.

For the 2019 performance shares plans, the number of shares to be vested is subject to the achievement of internal and external performance conditions. If the target of one of the internal performance criteria is not reached at the end of the last year of the plan, this criterion would nevertheless be considered as achieved if the reached level is at least equal to 85% of the target; however the vesting of performance shares would then be lowered to 75% of the number of shares initially allocated.

For the 2020, 2021 and 2022 performance shares plans, the number of shares to be vested is subject to the achievement of internal and external performance conditions, based on the elasticity curves defined for each performance criterion. In any case, the average acquisition rate is limited to 100%.

There is no lock-up period once the free shares are definitively vested.

All performance shares plans give the right to Worldline shares delivery.

The Group has implemented a new performance shares plan on June 9,2022.

The plans impacting the 2022 charge for € 33.2 million are detailed as follows:

Grant Date	January 2, 2019	June 11, 2019	July 24, 2019	June 9, 2020	October 28, 2020	May 27, 2021	June 9, 2022
Number of shares granted initially	93,700	727,840	326,965	379,730	560,401	685,935	1,159,545
Of which number of shares initially granted to TSS beneficiaries					*166 015 (*)*	*107 050 (*)*	
Share price at grant date (€)	41.62	63.64	65.65	67.60	62.14	77.81	38.95
Vesting Date(s)	March 31, 2022	June 11, 2022	July 24, 2022	June 9, 2023	June 11, 2023 + September 7, 2023 + October 16, 2023	May 27, 2024	June 9, 2025
Expected Life	3 years	3 years	3 years	3 years	3 years (**)	3 years	3 years
Lock-up period	-	-	-	-	-	-	-
Risk free interest rate	-	-	-	-	-	-	-
Expected dividend yield	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Fair value of shares granted (in €)	**40.16**	**62.52**	**63.52**	**65.41**	**60.38**	**75.28**	**37.69**
Expense recognized in 2022 (in € million)	**0.4**	**(7.8)**	**3.7**	**9.9**	**9.6**	**12.0**	**5.5**
Expense recognized in 2022 as discontinued operations (in € million)	**-**	**9.3**	**-**	**-**	**5.7**	**5.0**	**-**

** According to IFRS 2, shares granted to TSS beneficiaries were subject to accelerated vesting for an amount of 10,7 M€ booked in discontinued operations.*
*** considering the initial grant date of the 2020 Ingenico Performance Shares plans granted by Ingenico on June 11, 2020, September 7, 2020 and October 16, 2020 which are substituted by the 2020 Worldline Performance Shares plan granted on October 28, 2020.*

6.3. Stock option plans

Rules governing the stock options plans are as follows:

- To exercise the option, the grantee must generally be an employee or corporate officer of the Group or a company employee related to Worldline at the time of grant and vesting;
- Vesting is conditional on both the continued employment condition and the achievement of performance criteria, financial and non-financial;
- The financial performance criteria are the following:
  - Group organic revenue growth; and
  - Group Operating Margin before Depreciation and Amortization (OMDA), and
  - Group Free Cash Flow before acquisition/disposal and variation of equity and dividends (FCF).

As from 2020 plan, financial performance criteria are representing 80% of performance criteria conditioning the total vesting. The remaining 20% of the performance criteria conditioning the total vesting are relating to Corporate Social Responsibility.

The vesting period varies according to the plans rules but never exceeds 3.5 years.

For the stock options plans implemented in 2019, the number of options to be vested is subject to the achievement of internal and external performance conditions. For each year, at least two of the three internal performance conditions must be met. If the target of one of the internal criteria is not met during one year, this criterion becomes mandatory in the following year. If this is not the case, the plan will lapse.

For the 2020, 2021 and 2022 plans, the number of options to be vested is subject to the achievement of internal and external performance conditions, based on the elasticity curves defined for each criterion. In any case, the average acquisition rate is limited to 100%.

The option expiration date never exceeds 10 years after the grant date.

The exercise of the option is equity-settled.

The Group recognized a total expense of € 1.8 million on stock options detailed as follows:

Grant Date	2022 Expense (in € million)	Number of options initially granted	Vesting Date	Number of options vested
January 2, 2019	0.1	130,550	March 31, 2022	130,550
July 24, 2019	0.2	98,600	July 24, 2022	88,637
June 9, 2020	0.5	101,120	June 9, 2023	-
May 27, 2021	0.5	117,150	May 27, 2024	-
June 9, 2022	0.6	193,530	June 9, 2025	-
Total	**1.8**	**640,950**		**219,187**

The characteristics of each current stock option plan are detailed as follows:

Grant Date	January 2, 2019	July 24, 2019	June 9, 2020	May 27, 2021	June 9, 2022
Number of options granted	130,550	98,600	101,120	117,150	193,530
Share price at grant date (€)	41.6	65.7	67.6	77.8	39.0
Strike price (€)	46.7	66.8	69.7	81.4	39.7
Vesting date	March 31, 2022	July 24, 2022	June 9, 2023	May 27, 2024	June 9, 2025
Expected volatility	25%	26%	24%	28%	32%
Expected maturity of the plan	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	(0.003%)	(0.158%)	(0.142%)	(0.450%)	1.451%
Expected dividend yield	1.10%	1.10%	1.10%	1.10%	1.10%
Fair value of options granted (€)	**6.2**	**12.4**	**11.5**	**14.9**	**10.2**
Expense recognized in 2022 (in € million)	**0.1**	**0.2**	**0.5**	**0.5**	**0.6**

The change of outstanding share options for Worldline S.A. during the period was as the following:

	12 months ended 31 December 2022		12 months ended 31 December 2021	
	Number of shares	Weighted average strike price (in €)	Number of shares	Weighted average strike price (in €)
Outstanding at the beginning of the year	**1,828,890**	**36.5**	**1,803,515**	**32.9**
Granted during the year	193,530	39.7	117,150	81.4
Forfeited during the year	(36,883)	64.8	-	-
Exercised during the year	(159,976)	18.9	(91,775)	22.2
Outstanding at the end of the year	**1,825,561**	**37.8**	**1,828,890**	**36.5**
Exercisable at the end of the year, below year-end stock price (*)	**1,440,681**	**28.2**	**1,381,470**	**27.2**

* *year-end stock price: € 36.53 at December 31, 2022and € 49.01 at December 31, 2021*

Note 7 Financial items

7.1. Net Financial Result

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Interest expenses on bond loan	(19.9)	(28.6)
Interest charges long term debt	(0.9)	(2.7)
Interest expenses on convertible bonds	(11.4)	(11.3)
Net interest from cash and cash equivalents	0.1	1.9
Others	(6.0)	2.4
Net interest expenses	**(38.2)**	**(38.3)**
Net foreign exchange losses	(17.0)	1.2
Hyperinflation	(18.9)	0.0
Gains / Losses on derivatives instruments	(0.1)	1.3
Foreign exchange gain and losses, net	**(36.0)**	**2.5**
Financial component of retirement expenses and the cost of other post-employment benefits	(2.5)	(2.1)
Variation of fair value and Disposal Visa shares	44.9	8.0
Variation of the fair value of other financial assets/debts	(4.3)	-
Financial interests on lease liability (IFRS 16)	(4.9)	(4.9)
Impairment on other financial assets	(0.0)	(2.0)
Other financial expenses	(4.5)	(3.3)
Other financial income	4.6	2.1
Other financial income and expenses, net	**33.3**	**(2.2)**
Total	**(40.9)**	**(38.0)**

Net financial expenses amounted to € 40.9 million for the period (compared to an expense of € 38.0 million in 2021) and were made up of:

- A net cost of financial debt of € 38.2 million (against net cost of € 38.3 million in 2021); and
- A net non-operational financial expense (including the impact of foreign exchange) of € 2.7 million (€ +0.3 million income in 2021).

Net cost of financial debt of € 38.2 million is mainly made up of interests linked to straight bonds (€ 19.9 million) and convertible bonds (€ 11.4 million). Variation compared to last year is explained by the impact of bonds reimbursement during last year that generated expenses for € 8.7 million in 2021, compensated by an increase in other financial interest expense of € 8.4 million mainly due to € 6.5 million of financial interest on bank overdraft related to the Group's new activities in Australia.

The net non-operational financial expense of € 2.7 million in 2022 was mainly composed of:

- Foreign exchange loss for € 35.7 million (gain of € 2.5 million in 2021), mainly driven by the decline of euro during the period, and hyperinflation in Argentina and Turkey for an impact of € -18.9 million;
- Financial interests on lease liability (IFRS 16) impacts for an expense of € 4.9 million (as in 2021);
- Pension financial costs for € 2.5 million (€ 2.1 million in 2021). The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded (see Note 11 "Pensions and similar benefits");
- The recognition in the consolidated income statement of the net gain of € 40.3 million related to the disposal of Visa shares in 2022 and a €4.6 million profit related to the change in fair value of the remaining Visa preferred shares at December 31, 2022 (compared to € 8.0 million profit in 2021);
- The negative change in fair value of other financial instruments for € 4.3 million, mainly related to Bidco Poseidon preferred shares;
- Other financial expenses for € 4.5 million mainly related to financial fees;
- Other financial income for € 4.6 million mainly related to revaluation of Partech FCPR contribution for € 3.1 million and dividends from Visa preferred shares for € 1.5 million.

7.2. Cash and cash equivalents

Accounting policies/principles

Cash and cash equivalents include cash at bank and financial instruments such as money market securities. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition. Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market securities are recognized at their fair value. Changes in fair value are recorded in the income statement under “Other financial income and expenses”.

Cash and cash equivalents are measured at their fair value through profit and loss.

For entities having subscribed to the Group cash pooling agreement, the cash/debt balance sheet positions which are linked to this agreement are mutualized and only the net position is presented in the consolidated balance sheet, it is a notional cash pool.

The cash and cash equivalents are held with bank and financial institutions counterparties, majority of which are rated A- to AA-. Impairment on cash and cash equivalents (other than money market funds measured at fair value through profit or loss) is calculated based on S&P default probability.

(In € million)	**As at December 31, 2022**	**As at December 31, 2021**
Cash and cash equivalents	1,369.4	1,126.3
Money market funds	230.1	-
Total cash and cash equivalents	1,599.5	1,126.3
Total overdrafts and equivalents	(47.9)	(69.0)
Total net cash and cash equivalents	**1,551.7**	**1,057.3**

In several countries (India, China, Brazil, Argentina for the main ones) where the Group operates, there may be restrictions on the immediate convertibility and/or transferability of currencies; the cash remaining usable in the country. If the latter is deemed excessive in relation to the needs in the country, local liquidity risks or the level of remuneration obtained locally, the situation is managed via intra-group loans or via dividend distributions.

In addition, the Group has pledged some cash deposit in order to secure lease payments to third parties. It may be substituted by the group for bank guarantee at any time (see Note 14 "Off-balance sheet commitments”).

The increase in net cash in 2022 vs 2021 is largely related to the counterpart received in relation from TSS disposal.

7.3. Non-current financial Assets

Accounting policies/principles

Investments in non-consolidated companies

The Group holds shares in companies without exercising significant influence or control. Investments in non-consolidated companies are recognized at their fair value through P&L. For listed shares, fair value corresponds to the share price at the closing date.

Visa preferred shares

Under IFRS 9, the analysis applied is the approach for debt instrument. The accounting treatment of debt instruments is determined by the business model of the financial instrument and the contractual characteristics of the incoming cash flows of the financial instruments. The understanding is that Visa’s Convertible preferred stock does not pass the SPPI (Solely Payment of Principal and Interests) test because the cash flows generated by those stock include an indexation to the value of the Visa shares, and such equity indexation gives rise to a variability that do not solely represent a payment of principal and interests. In this situation, the accounting treatment of the debt instruments is fair value through P&L.

Embedded leases

Certain service arrangements might qualify for treatment as lease contracts if they convey a right to use an asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered to be the lessor regarding its customers.

(In € million)	As at December 31, 2022	As at December 31, 2021
Pension prepayments	21.5	0.0
Fair value of non-consolidated investments	695.1	115.6
Investments in associates	3.3	3.8
Other	66.4	11.7
Total	**786.4**	**131.1**

The non-consolidated investments includes mainly :

- Preferred shares of Poseidon Bidco with a fair value estimated to € 635 million as of December 31, 2022. These shares were contributed to Worldline by Apollo on September 30, 2022, as part of TSS disposal and represent 12.7% of Poseidon Bidco share capital and 5% of its voting rights.
- Visa Shares for € 33 million as at December 31, 2022 and € 94.6 million as at December 31,2021.

Investments in associates mainly relates to the investment in In-touch.

Other includes as at December 31, 2022, € 53.9 million related to the fair value of the deferred payment to be received by Apollo funds over two years as a counterparty to TSS disposal as of September 30,2022

7.4. Borrowings

Accounting policies/principles

Borrowings

Borrowings are recognized initially at fair value, net of directly attributable issuance costs. Borrowings are subsequently measured at amortized cost. The calculation of the effective interest rate takes into account interest payments and the amortization of the issuance costs.

Debt issuance costs are amortized in financial expenses over the life of the loan using the effective interest rate method. The residual value of issuance costs for loans derecognized is fully expensed as soon as it is probable that the loan maturity is reduced, with respect to the intention to exercise the early redemption option.

Bank overdrafts are recorded in the current portion of borrowings.

(In € million)	As at December 31, 2022			As at December 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Overdrafts	47.7	0.0	47.7	69.0	0.0	69.0
Other borrowings	48.0	0.0	48.0	606.6	0.0	606.6
Put Options on minority interests	0.0	186.0	186.0	59.2	10.6	69.8
Other Long Term debts	0.5	55.0	55.5	0.5	55.0	55.5
Convertible bonds	0.0	1,362.6	1,362.6	0.0	1,351.2	1,351.2
Bonds	506.4	1,595.2	2,101.6	7.3	2,092.9	2,100.2
Total borrowings	**602.7**	**3,198.8**	**3,801.5**	**742.6**	**3,509.7**	**4,252.3**

Current accounts with a short-term maturity – less than one month – have no remuneration.

Other Long-term debts are composed of the Schuldschein borrowings (see B.4.2.3 Financing Structure).

In 2022, put options on minority interests for a total of € 186.0 million are related to Eurobank, Axepta, SoftPOS and Cardlink acquisitions. As at December 31, 2021, put options on minority interests for € 69.8 million were related to GoPay and Cardlink acquisitions. The fair value variation of put options on minority interests on the period is recognized in equity.

7.4.1. Change in net cash/(debt) over the period

(In € million)	As at December 31, 2022	As at December 31, 2021
Opening net cash/(debt)	**(3,125.6)**	**(3,211.3)**
New bonds : straight and convertible	-	-
Repayment or conversion of bonds : straight and convertible	-	451.0
Increase of other long term debts	-	-
Decrease of other long term debts	-	-
Increase of put options on minority interests	(175.5)	(44.0)
Decrease of put options on minority interests	59.4	
Increase of other borrowings	-	(1,595.7)
Repayment of other borrowings	559.5	1,519.2
Business Combination	(0.9)	(20.6)
Variance in net cash and cash equivalents	487.9	(0.9)
Impact of exchange rate fluctuations	6.7	20.0
Net impact of interests	(13.5)	(16.8)
Other flows related to financing activities	-	(23.5)
Closing net cash/(debt) including net cash of TSS classified as held for sale	**(2,201.9)**	**(2,922.7)**
Net cash/(debt) of TSS classified as held for sale (2021)	-	202.9
Closing net cash/(debt) excluding TSS classified as held for sale	**(2,201.9)**	**(3,125.6)**

The variations on other borrowings are mainly due to commercial papers (€ 3,068 million increase and € 3,627 million decrease).

Increase of minority put options is made up of new options related to the 2022 acquisitions (SoftPOS, Axepta, Eurobank) and the revaluation of the Cardlink put option. The decrease relates to the payment of the GoPay option.

7.4.2. Net Cash/(debt)

(In € million)	As at December 31, 2022	As at December 31, 2021	Net cash of TSS classified as held for sale	As at December 31, 2021 Net debt including Net cash of TSS classified as held for sale
Cash and cash equivalents	1,599.5	1,126.3	215.1	1,341.4
Borrowings	(3,198.8)	(3,509.7)	(0.1)	(3,509.8)
Current portion of borrowings	(602.7)	(742.6)	(12.1)	(754.7)
Total Net debt	**(2,201.9)**	**(3,125.6)**	**202.9**	**(2,923.0)**

7.4.3. Bonds and convertible bonds follow up

Main characteristics	***Maturity***	**June 2023**	**September 2024**	**September 2024**	**July 2025**	**July 2026**	**July 2026**	**June 2027**
	Bond type	**Straight bonds 3 years**	**Straight bonds 7 years**	**Straight bonds 5 years**	**Convertible bond 5 years**	**Convertible bond 5.7 years**	**Convertible bond 7 years**	**Straight bonds 7 years**
Nature		Unsecured Fixed Rate Note	Unsecured Fixed Rate Note	Unsecured Fixed Rate Note	Oceane	Oceane	Oceane	Unsecured Fixed Rate Note
Issue date		June 2020	September 2017	September 2019	July 2020	December 2020 (*)	July 2019	June 2020
Maturity date		June 2023	September 2024	September 2024	July 2025	July 2026	July 2026	June 2027
Issue size (in M€)		**500.0**	**600.0**	**500.0**	**600.0**	**200.0**	**600.0**	**500.0**
Cash received (in M€)		**499.6**	**596.8**	**497.5**	**637.8**	**225.8**	**642.0**	**496.5**
Coupon		0.5%	1.6%	0.3%	0.0%	0.0%	0.0%	0.9%
Yield to maturity		0.5%	1.7%	0.4%	-1.2%	-2.1%	-1.1%	1.0%
Conversion exchange ratio		N/A	N/A	N/A	1 share per bond	1 share per bond	1 share per bond	N/A
Early redemption option		N/A	N/A	N/A	From July 2023 to the maturity date	From July 2024 to the maturity date	From July 2024 to the maturity date	N/A
Valuation methodology		Amortized cost (IFRS 9)	Amortized cost (IFRS 9)	Amortized cost (IFRS 9)	Split accounting (IAS 32)	Split accounting (IAS 32)	Split accounting (IAS 32)	Amortized cost (IFRS 9)
Fees (in M€)		**1.2**	**2.2**	**1.3**	**3.7**	**0.7**	**5.2**	**1.8**
Call option (in M€)		0.0	0.0	0.0	4.8	2.1	4.2	0.0
Debt component at inception (in M€)		498.4	594.6	496.2	578.6	195.5	554.8	494.6
Equity component at inception (in M€)		0.0	0.0	0.0	55.5	29.6	82.0	0.0
Effective interest rate (EIR)		0.6%	1.8%	0.4%	0.7%	0.4%	1.1%	1.0%

** linked to initial convertible bonds issued in June 2020*

Comparison between carrying value and fair value of the Convertible and Straight Bonds is presented below:

(In € million)	Carrying value	Fair value
Convertible bonds	1,362.6	1,224.9
Straight bond	2,094.9	1,979.2
Total borrowings	**3,457.6**	**3,204.1**

Carrying value corresponds to the total financial debt value in the consolidated financial statements. All OCEANE convertible bonds were recorded at issuance using the split accounting method, with a financial debt component accounted for at amortized cost, and an equity component whose carrying value has been fixed at the date of issuance.

Straight bond nominal carrying value amounts to € 2,094.9 million. Total Straight bond value in balance sheet of € 2,101.6 million also includes accrued interests for € 6.7 million.

All bonds emitted by Worldline are traded in active markets, the fair-values indicated above are level 1 measurements.

7.4.4. Borrowings in currencies

Borrowings in currencies

(In € million)	EUR	SEK	AUD	Other Currencies	Total
December 31, 2022	3,676.5	85.5	30.4	9.2	**3,801.5**
December 31, 2021	4,252.3	-	-	-	**4,252.3**

7.4.5. Non-current borrowings maturity

(In € million)	2024	2025	2026	2027	>2027	Total
Convertible bonds		589.0	773.6			1,362.6
Bonds	1,098.7			496.5		1,595.2
Other Long Term Debts		55.0				55.0
Put Options on minority interests	2.7	84.7	98.6			186.0
As at December 31st, 2022 long-term debt	**1,101.4**	**728.7**	**872.2**	**496.5**	**-**	**3,198.8**

(In € million)	2023	2024	2025	2026	>2026	Total
Convertible bonds			584.8	766.4		1,351.2
Bonds	499.2	1,097.9			495.8	2,092.9
Other Long Term Debts			55.0			55.0
Put Options on minority interests				10.6		10.6
As at December 31st, 2021 long-term debt	**499.2**	**1,097.9**	**639.8**	**777.0**	**495.8**	**3,509.7**

Accounting policies/principles

Derivative financial instruments

The Group uses derivative financial instruments to hedge its foreign exchange and interest rate exposure arising from its operating, financing and investing activities. Those instruments are initially measured at fair value, i.e. the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, considering current interest rates and the risk of default by the counterparties to the swap.

The fair value of forward exchange contracts is their quoted market price at the reporting date (i.e. the present value of the quoted forward price).

Initial recognition of foreign exchange and interest rate hedging instruments and subsequent accounting for changes in their value are carried out in accordance with IFRS 9.

In accordance with IFRS 13, the Group takes default risk into account when measuring its derivative hedging instruments. That involves the following:

- the risk of default by the Group on a derivative that is a liability (own credit risk);
- the risk of counterparty default on a derivative that is an asset (counterparty credit risk).

The Group's method for assessing own and counterparty credit risk is based on a calculation of the implied credit risk on senior fixed-rate bonds traded in the secondary market.

Cash flow hedges

When a derivative financial instrument is designated as a hedging instrument whose cash flows are expected to offset changes in the cash flows of a highly probable forecast transaction, the Group uses hedge accounting. The effective portion of any gain or loss on the hedging instrument is recognized directly in "Other comprehensive income" until the hedged item itself is recognized in profit or loss. The effective portion is then recognized in profit or loss. The ineffective portion of any gain or loss is recognized in profit and loss for the period

If a hedging instrument is used to hedge risk arising from the Group's operating activities or from the Group's financing activities, its impact on profit or loss is reported in "Net finance costs". Premiums/discounts of hedging instruments are recognized in "Net finance costs". Premiums/discounts of financial instrument are accounted for in financial result.

Fair value hedges

If a derivative financial instrument is used to hedge the foreign currency risk on a recognized monetary asset or liability, hedge accounting is not applied and the gains or losses on the financial instrument are recognized in profit or loss.

If a hedging instrument is used to hedge risk arising from the Group's operating activities or from the Group's financing activities, its impact on profit or loss is reported in "Net finance costs". Premiums/discounts of hedging instruments are recognized in "Net finance costs". Premiums/discounts of financial instrument are accounted for in financial result.

Fair value of derivative instruments at the reporting date

(In € million)	As at December 31, 2022	As at December 31, 2021
Interest rate derivative instruments	**-**	**-**
Foreign exchange derivative instruments	**1.3**	**7.1**
Current assets	2.6	8.7
Current liabilities	(1.3)	(1.6)
Total hedging instruments	**1.3**	**7.1**

Breakdown of instruments by hedging policy

(In € million)	As at December 31, 2022	As at December 31, 2021
Instruments designated as cash flow hedges	**(0.8)**	**4.1**
Foreign exchange forward contracts	(0.1)	4.3
Foreign exchange swap	(0.7)	(0.2)
Instruments not designated as cash flow hedges	**2.2**	**3.0**
Foreign exchange forward contracts		(0.1)
Foreign exchange swap	2.2	4.5
Interest rate swaps		(1.4)
Total hedging instruments	**1.3**	**7.1**

Foreign exchange risk

The majority of the Group's revenue, expenses and obligations are denominated in euro. In 2022, 69,8% of the Group's revenue was generated in euro-zone countries whereas 30,2% was generated in non-euro zone countries, including 11,2% in Swiss francs, 3,6% in Australian dollars and 3% in British pounds.

Since the Group's financial statements are denominated in euros, its revenue is affected by the relative value of the euro versus the currency of the non-euro zone countries in which it generates revenue (currency translation exposure).

In terms of currency transaction exposure (i.e., a mismatch between the currencies in which revenue is generated and costs are incurred), the Group considers its exposure to be limited as its costs in the euro zone are generally incurred in euros and its revenue is generated in euros and in non-Eurozone countries it generally makes its sales and incurs the majority of its operating expenses in the local currency.

Group's objective is to hedge significant future risks (purchase or sale commitments) and risks already on the balance sheet (currency payables and receivables). The foreign exchange risks hedged are generated by the purchase and sale in foreign currencies of goods and services; financial assets or liabilities in foreign currencies (in particular, in relation to the financing of subsidiaries); investments in foreign subsidiaries and M&A transactions. Financial instruments used to hedge are forward purchase and sale contracts, foreign exchange options and forex, swaps.

Interest rate risk

On December 20, 2018, Worldline (as borrower) signed a five-year revolving credit facility (the "Facility") for an amount of € 600 million, maturing in December 2023 with an option for Worldline to request the extension of the Facility maturity date until December 2025. In October 2019, a first-year extension has been requested and approved by the banks. The Facility maturity date became December 2024. In October 2020; a second 1-year extension has been requested and approved by the banks for an amount of € 554 million. Therefore, the amount of this Facility is now € 600 million until December 2024 and € 554 million between December 2024 and the final maturity of December 2025.

On January 2021, following lender's approvals, an existing € 750 million revolving credit facility at the level of Ingenico S.A. (as borrower) maturing in July 2023 was amended as follows: modification of the borrower which is now Worldline S.A., decrease of the amount from € 750 million to € 450 million, updated margin conditions and financial commitments ("covenants"), extension of the maturity to January 2024. On December 27, 2022, lenders agree to extend further the facility until December 2025, so that the maturity date of both facilities are aligned.

At December 31, 2022, no drawings were made on either the € 600 million or the € 450 million revolving credit facilities.

If these facilities were to be drawn down, the Group would be subject to interest rate risk since the applicable interest rate on is based on Euribor. In addition, the Group could also face higher interest rate in the event Worldline's rating assigned by Standard & Poor's would deteriorate.

Worldline has entered a "Negotiable European Commercial Papers" program (NEU CP) on April 12, 2019 to optimize its financial charges and improve Group's cash for a maximum initial amount of € 600 million increased to € 1,000 million in December 2020. On December 31, 2022, the outstanding amount of the program was € 45 million.

The Group is subject to fluctuations in interest rates on commercial paper issuance. Other components of gross borrowings are mainly bonds with fixed interest rates.

Liquidity risk

Although the Group has a demonstrated capacity to generate significant levels of free cash flow, its ability to repay its borrowings in the manner provided for therein will depend on its future operating performance and could be affected by other factors (economic environment, conditions in the debt market, compliance with legislation, regulatory changes, etc.). In addition, the Group will allocate a significant part of its cash flow to the payment of principal and interest on its debt at maturity, and in the absence of refinancing, this could reduce the funds available to finance its day-to-day operations, investments, acquisitions or dividend payments.

The Group has an investment grade credit rating from Standard & Poor's Global Ratings (BBB with stable outlook. This rating was reaffirmed on November 17 2022, which testifies the strength of the Group's business model and its balance sheet.

The Group considers that managing liquidity risk, including liquidity needs for intermediation activities, depends primarily on having access to diversified sources of financing in terms of origin and maturity. This approach represents the basis of the Group's financing policy.

Credit and/or counterparty risk

Credit and/or counterparty risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group believes that it has limited exposure to concentrations of credit risk due to its large and diverse customer base. The Group's greatest credit risk position is born with respect to its financial institution customers.

The Group is also exposed to certain credit risks related to its merchant acquiring activities. For each transaction accepted by the customer's bank, the Group grants the merchant a performance guarantee relating to the payment made by the cardholder. The performance guarantee is materialized in the form of an accounting entry in the intermediation debt due to merchants for the transaction upon acceptance by the cardholder's bank. The intermediation debt is paid when the funds for the authorized payment transaction are transferred to the merchants, generally on a daily basis. However, the Group may be exposed to a credit risk in the event of non-payment by the cardholder or the payment scheme. In addition, the Group offers a "service rendered" guarantee to the cardholder. Thus, if the merchant goes bankrupt (or ceases trading) before the product or service purchased by the cardholder is delivered, the cardholder can demand reimbursement of the transaction amount. The exposure to credit risk is particularly significant where services are purchased by e-Commerce well in advance of actual delivery (such as ticket purchase services from travel agencies). Deposits are also made by merchants at the initiation or during the course of a customer relationship with the Group.

On other activities, the Group may also be exposed to the credit risk on its receivables which could lead in payment defaults. The Group manages this invoice risk through individual or mass market assessment based on customer's probability of default, terms of payments, revenue flows and invoice recurrence. The riskier a customer is, the shorter the payment terms are, strengthened by secured payments (prepayments, bank guaranties, insurances).

Note 8 Income tax

Accounting policies/principles

Current and deferred taxes

The income tax charge includes current and deferred tax expenses. Deferred tax is calculated wherever temporary differences occur between the tax base and the consolidated base of assets and liabilities, using the liability method. The deferred tax is valued using the enacted tax rate at the closing date that will be in force when the temporary differences reverse.

In case of change in tax rate, the deferred tax assets and liabilities are adjusted counterpart the income statement except if the change is related to items recognized in other comprehensive income or in equity.

The deferred tax assets and liabilities are netted off at the taxable entity, when there is a legal right to offset. Deferred tax assets corresponding to temporary differences and tax losses carried over forward are recognized when they are considered to be recoverable during their validity period, based on historical and forecast information.

Deferred tax liabilities for taxable temporary differences relating to goodwill are recognized, to the extent they do not arise from the initial recognition of goodwill.

Deferred tax assets are tested for impairment at least annually at the closing date, based on December actuals, business plans and impairment test data.

Measurement of recognized tax loss carry-forwards

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry forwards are prepared on the basis of profit and loss forecasts as included in the 3-year business plans (other durations may apply due to local specificities).

IFRIC 23

The Group applies IFRIC 23 on the accounting for income tax when there is uncertainty over tax treatments. A liability is recognized in the consolidated financial statement when a tax risk arising from positions taken by the Group, or one of its subsidiaries, is considered as probable, assuming that the tax authorities have full knowledge of all relevant information when making their examination.

8.1. Current and deferred taxes

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Current taxes	(113.1)	(113.3)
Deferred taxes	34.3	49.3
Total	**(78.8)**	**(64.0)**

8.2. Effective tax rate

The difference between the French standard tax rate and the Group Effective tax rate is explained as follows:

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Profit before tax	294.1	266.2
French standard tax rate	25.8%	28.4%
Theoretical tax charge at French standard rate	**(76.0)**	**(75.6)**
Impact of permanent differences	0.2	(0.2)
Differences in foreign tax rates	10.8	9.3
Movement on recognition of deferred tax assets	0.9	13.1
Equity-based compensation	(13.3)	(12.7)
Change in deferred tax rates	(6.6)	(0.5)
Withholding taxes	(3.7)	(2.7)
Other	8.8	5.3
Group tax expense	**(78.8)**	**(64.0)**
Effective tax rate	**26.8%**	**24.0%**

Other differences include the reversal of provisions for tax risk amount to € 12.3 million in 2022. The effective tax rate in 2022 restated of the capital loss related to the disposal of Worldline Argentina and Chile (permanent differences) amounts to 23.5%.

8.3. Deferred taxes

(In € million)	As at December 31, 2022	As at December 31, 2021
Deferred tax assets	98.5	39.0
Deferred tax liabilities	(561.7)	(568.1)
Net deferred tax	**(463.1)**	**(529.1)**

8.4. Breakdown of deferred tax assets and liabilities by nature

(In € million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
At January 1st, 2021	**67.7**	**(679.3)**	**(38.1)**	**44.5**	**21.7**	**(583.5)**
Charge to profit or loss for the year	(6.9)	68.0	(1.0)	1.1	(0.7)	60.5
Change of scope	-	(5.4)	-	(1.9)	5.9	(1.4)
Charge to equity	(6.5)	-	-	(2.2)	5.4	(3.3)
Reclassification	2.2	5.9	0.3	-	(11.8)	(3.4)
Exchange differences	0.4	(3.4)	0.1	0.1	(7.9)	(10.7)
IFRS 5	(6.0)	196.3	2.3	(4.8)	(175.1)	12.7
As at December 31, 2021	**50.9**	**(417.9)**	**(36.4)**	**36.8**	**(162.5)**	**(529.1)**
Charge to profit or loss for the year	8.1	10.0	(4.1)	(1.6)	159.4	171.7
Change of scope	(2.0)	(52.7)	(9.2)	(0.4)	(1.3)	(65.5)
Charge to equity	-	-	-	(26.4)	(2.3)	(28.8)
Reclassification	4.7	0.4	-	0.4	(5.7)	(0.1)
Exchange differences	(1.2)	(2.6)	(0.4)	(0.0)	(7.1)	(11.4)
As at December 31, 2022	**60.6**	**(462.9)**	**(50.1)**	**8.7**	**(19.5)**	**(463.1)**

In 2022, the main variation in Other is related to the reversal of the deferred tax liabilities linked to the sale of 84.96% of TSS business for an amount of € 136.7 million . This amount is included in discontinued operations (see Note 3 “Assets held for sale and discontinued operations”).

8.5. Tax losses carry forward schedule (basis)

(In € million)	12 months ended December 31, 2022			12 months ended December 31, 2021		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2023	-	-	-	0.1	9.2	9.3
2024	0.6	-	0.6			
2025	15.5	9.0	24.5	19.6	13.9	33.5
2026	-	2.7	2.7			
2027	5.7	-	5.7			
Tax losses available for carry forward for 5 years and more	117.8	81.8	199.6	33.5	104.3	137.8
Ordinary tax losses carry forward	**139.6**	**93.5**	**233.1**	**53.2**	**127.4**	**180.6**
Evergreen tax losses carry forward	**108.8**	**12.3**	**121.1**	**188.3**	**100.6**	**288.9**
IFRS 5	**-**	**-**	**-**	(14.8)	(125.0)	(139.8)
Total tax losses carry forward	**248.4**	**105.8**	**354.2**	**226.7**	**103.0**	**329.7**

Countries with the largest tax losses available for carry forward are Luxembourg (€126.1 million), Australia (€ 45.6 million), Sweden (€41.1 million), India (€ 33.1 million), and Austria (€ 17.5 million).

8.6. Deferred tax assets not recognized by the Group

(In € million)	As at December 31, 2022	As at December 31, 2021
Tax losses carry forward	27.3	36.4
Temporary differences	16.9	18.3
Total	**44.3**	**54.7**

Note 9 Goodwill and fixed assets

9.1. Goodwill

Accounting policies/principles

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, of the amount of any non-controlling interests in the acquiree and of the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is allocated to Cash Generating Units (CGU) for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to Global Business Lines defined by IFRS 8.

The recoverable value of a CGU is based on the higher of its fair value less costs to sell and its value in use determined using the discounted cash-flows method. When this value is less than its carrying amount, an impairment loss is recognized in the operating income.

The impairment loss is first recorded as an adjustment of the carrying amount of the goodwill allocated to the CGU and remainder of the loss, if any, is allocated pro rata to the other long-term asset of the unit.

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date. The recoverable amount of goodwill is determined by reference to a value in use that is calculated using cash flow projections drawn up on the basis of the latest 3-year plan, as approved by the Executive Committee and the Board of Directors, and of extrapolated cash flows for a 2 years period. Goodwill impairment test is prepared in December, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.

Such events and circumstances include but are not limited to:

- Significant deviance of economic performance of the asset when compared with budget;
- Significant worsening of the asset's economic environment;
- Loss of a major client;
- Significant increase in interest rates.

Impairment tests:

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policies. The recoverable amounts of Cash Generating Units are determined based on value-in-use calculations or on their fair value reduced by the costs of sales. These calculations require the use of estimates.

(In € million)	As at December 31, 2021	Disposals Depreciations	Impact of business combination	Exchange rate fluctuations	TSS classified as held for sale	As at December 31, 2022
Gross value	9,329.6	(4.7)	887.5	(29.1)	-	**10,183.4**
Impairment loss	-	-	-	-	-	**-**
Carrying amount	**9,329.6**	**(4.7)**	**887.5**	**(29.1)**	**-**	**10,183.4**

(In € million)	As at December 31, 2020	Disposals Depreciations	Impact of business combination	Exchange rate fluctuations	TSS classified as held for sale	As at December 31, 2021
Gross value	11,137.0	(2.4)	157.6	159.7	(2,122.3)	**9,329.6**
Impairment loss	-	-	-	-	-	**-**
Carrying amount	**11,137.0**	**(2.4)**	**157.6**	**159.7**	**(2,122.3)**	**9,329.6**

The Impacts of business combination include the preliminary goodwill accounted for Axepta (€ 181.1 million), Eurobank (€ 269.9 million) and ANZ JV (€ 436.4 million). In 2021, business combination leads to recognition of Goodwill for Cardlink (€ 108.2 million) and final goodwill variation related to Ingenico acquisition (€ 49.3 million).

Goodwill is allocated to Cash Generating Units (CGUs) which correspond to the three operating segments disclosed in Note 4.1 "Segment information".

(In € million)	As at December 31, 2022	As at December 31, 2021
Merchant Services	8,890.6	8,061.3
Financial Services	1,270.3	1,242.0
Mobility & e-transactional services	22.5	26.3
Total	**10,183.4**	**9,329.6**

For the purposes of impairment testing, goodwill is allocated to the operating segments, which are the lowest level at which it is monitored for internal management purposes.

The recoverable amount of a CGU is derived from the Global 5Y Business Plan of the Company, in coherence with the 2021 / 2024 Guidance to the market, and prolongated up to 2027.

Over the 5YP, the compound annual growth rate of revenues reach 9,1% and the improvement of OMDA margin is factored at +440 Bps, from 25,8% of Revenue in 2022 to 30,2% in 2027.

This Business Plan is made for per CGU, taking into account each market dynamics (Higher Growth for Merchant Services, mid digit growth for Financial Services and Mobility & e-transactional services) as well as synergies potentials for margin improvements

The terminal value is calculated after the five-year period, using an estimated perpetuity growth rate of 2.5%. This rate reflects specific perspectives of the payment sector.

Discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates. The Group considers that the weighted average cost of capital should be determined based on a historical equity risk premium, in order to reflect the long-term assumptions factored in the impairment tests.

The discount rate of 8.70% is used for all CGUs (Merchant Services, Financial Services and Mobility & e-Transactional Services) as the Group operates mainly in Europe. On the basis of impairment tests carried at year end, no loss of value has been identified as at December 31, 2022.

	Perpetuity gross rate		WACC	
(In %)	As at December 31, 2022	As at December 31, 2021	As at December 31, 2022	As at December 31, 2021
Merchant Services	2.50%	2.50%	8.70%	8.15%
Financial Services	2.50%	2.50%	8.70%	8.15%
Mobility & e-transactional services	2.50%	2.50%	8.70%	8.15%

The changes in the key parameters have the following impacts on the carrying value :

(In € million)	Increase of WACC +0.75 pt	Decrease of PGR -0.75 pt	Increase of WACC and decrease of PGR of 0.75 pt
Merchant Services	(1,637)	(1,307)	(2,661)
Financial Services	(365)	(290)	(592)
Mobility & e-transactional services	(66)	(53)	(107)
Total	**(2,068)**	**(1,649)**	**(3,360)**

A variation plus or minus 75 basis points of the key parameters (discount rate and perpetual growth rate) did not reveal the existence of any risk on the Group's CGUs.

9.2. Intangible assets

Accounting policies/principles

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, internally developed IT solutions as well as software and customer relationships and technologies acquired in relation with a business combination.

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group classifies the generation of the asset into a research phase and a development phase. Under IAS 38, no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Such expenditure is therefore recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) shall be recognized if, and only if, an entity can demonstrate all the following:

- 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 to 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;
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenses correspond to assets developed for the own use of the Group, to specific implementation projects for some customers or innovative technical solutions made available to a group of customers. These projects are subject to a case-by-case analysis to ensure they meet the appropriate criteria for capitalization. Are capitalized as development costs only those directly attributable to create, produce and prepare the asset so it can be operated in the manner intended by management.

Capitalized development expenditure is accounted for at cost less accumulated depreciation and any impairment losses. It is amortized on a straight-line basis over a useful life between 3 and 12 years, for which two categories can be identified:

- For internal software development with fast technology serving activities with shorter business cycle and contract duration, the period of amortization will be between 3 and 7 years;
- For internal software development with slow technology obsolescence serving activities with long business cycle and contract duration, the period of amortization will be between 5 and 12 years with a standard scenario at 7 years. It is typically the case for large mutualized payment platforms.

An intangible asset related to the customer relationships and backlog brought during a business combination is recognized as customer relationships. The value of this asset is based on assumptions of renewal conditions of contract and on the discounted flows of these contracts. This asset is amortized on an estimation of its average life.

The value of the developed technology acquired is derived from an income approach based on the relief from royalty method. This method relies on (i) assumptions on the obsolescence curve of the technology and (ii) the theoretical royalty rate applicable to similar technologies, to determine the discounted cash flows expected to be generated by this technology over their expected remaining useful life. The developed technology is amortized on an estimation of its average life. The cost approach may also be implemented as a secondary approach to derive an indicative value for consistency purposes. This method relies on assumptions of the costs that should be engaged to reproduce a similar new item having the nearest equivalent utility as the asset being valued. On the contrary, if technology is believed to be the most important driver for the business, an Excess Earning method could also be implemented.

Intangible assets are amortized on a straight-line basis over their expected useful life, for internally developed IT solutions in operating margin. Customer relationships, patents, technologies and trademarks acquired as part of a business combination are amortized on a straight-line basis over their expected useful life, generally not exceeding 19 years; any related depreciation is recorded in other operating expenses.

Impairment of assets other than goodwill

At the end of each reporting period of the financial information, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. This is also applied to R&D costs capitalized, for which the Group considers as an indicator of impairment loss (i) the use of the technology, (ii) the volumes processed and (iii) the potential effect of decommissioning following migration to other technologies, and to customer relationships for which the Group considers as an indicator of impairment loss (i) the loss of historical clients representing at least 5% of the revenue, (ii) the growth revenue vs the previous year and (iii) the profitability of the current year.

If it is not possible to assess the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent method of allocation can be identified, corporate assets are also allocated to cash-generating units individually; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation method can be determined.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the estimated recoverable amount (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

(In € million)	Software & Licenses	Customer Relationships/ Patent	Other assets	Total
Gross value				
At January 1st, 2022	**1,471.0**	**1,737.0**	**59.4**	**3,267.4**
Additions	70.1	-	15.9	86.0
R&D capitalized	175.7			175.7
Impact of business combination	7.6	252.4	13.9	273.9
Disposals	(63.3)	-	(6.9)	(70.2)
Exchange differences	0.8	(8.4)	5.3	(2.2)
Impact of business disposal	(12.8)	(0.1)	(3.2)	(16.1)
Other	(2.8)	(54.9)	39.8	(18.0)
At December 31, 2022	**1,646.3**	**1,926.0**	**124.1**	**3,696.4**
Accumulated depreciation				
At January 1st, 2022	**(550.9)**	**(372.2)**	**(38.9)**	**(961.9)**
Depreciation charge for the year	(114.1)	(162.3)	(68.9)	(345.3)
Impact of business combination	-	-	(0.0)	(0.0)
Disposals/reversals	49.1	-	7.1	56.2
Exchange differences	(2.4)	(0.5)	(1.8)	(4.7)
Impact of business disposal	8.7	0.1	0.1	8.8
Other	16.5	10.7	(9.4)	17.8
At December 31, 2022	**(593.1)**	**(524.2)**	**(111.8)**	**(1,229.0)**
Net value				
At January 1st, 2022	**920.2**	**1,364.8**	**20.5**	**2,305.4**
At December 31, 2022	**1,053.2**	**1,401.8**	**12.3**	**2,467.3**

(In € million)	Software & Licenses	Customer Relationships/ Patent	Other assets	Total
Gross value				
At January 1st, 2021	**1,639.7**	**2,143.9**	**75.4**	**3,859.1**
Additions	38.2	0.0	35.1	73.3
R&D capitalized	113.2	0.0	0.0	113.2
Impact of business combination	5.8	240.6	1.7	248.1
Disposals	(10.8)	(96.8)	(3.2)	(110.8)
Exchange differences	8.3	32.0	17.5	57.8
Other	105.5	47.2	(48.7)	104.0
IFRS 5 - TSS classified as held for sale	(428.9)	(630.0)	(18.4)	(1,077.3)
At December 31th, 2021	**1,471.0**	**1,737.0**	**59.4**	**3,267.4**
Accumulated depreciation				
At January 1st, 2021	**(348.1)**	**(247.6)**	**(31.6)**	**(627.3)**
Depreciation charge for the year	(174.1)	(198.8)	(15.4)	(388.4)
Impact of business combination	(3.9)	0.0	0.0	(3.9)
Disposals/reversals	10.7	10.9	0.2	21.8
Exchange differences	(6.2)	(5.0)	(4.0)	(15.1)
Other	(103.8)	(9.5)	7.1	(106.2)
IFRS 5 - TSS classified as held for sale	74.4	77.9	4.8	157.1
At December 31th, 2021	**(550.9)**	**(372.2)**	**(38.9)**	**(961.9)**
Net value				
At January 1st, 2021	**1,291.7**	**1,896.3**	**43.7**	**3,231.8**
IFRS 5 - TSS classified as held for sale	(354.5)	(552.2)	(13.6)	(920.2)
At December 31th, 2021	**920.2**	**1,364.8**	**20.5**	**2,305.4**

Development capitalized cost is related to the modernization of proprietary technological platforms.

In 2022, the total of R&D costs reached € 344.4 million out of which € 175.7 million are capitalized and €168.7 million remain in expenses. The other flows are related to reclassification between other intangible assets and Customer relationship. Detail of scope variation is presented in Note 1 “Main changes in the scope of consolidation”.

9.3. Tangible assets

Accounting policies/principles

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

- Buildings: 20 years;
- Fixtures and fittings: 3 to 20 years;
- IT equipment:
  - Computer hardware: 3 to 5 years;
  - Terminals: 4 to 5 years;
- Other assets:
  - Vehicles: 4 to 5 years;
  - Office furniture and equipment: 3 to 10 years.

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2022	**151.6**	**443.8**	**45.2**	**640.6**
Additions	13.5	59.3	21.1	94.0
Impact of business combination	-	25.9	0.0	26.0
Disposals	(27.3)	(38.2)	(12.3)	(77.8)
Exchange differences	(0.3)	(4.5)	0.1	(4.7)
Scope out	(1.8)	(1.6)	(4.7)	(8.1)
Other	(9.7)	31.5	(14.4)	7.5
At December 31, 2022	**126.0**	**516.2**	**35.1**	**677.4**
Accumulated depreciation				
As at January 1st, 2022	**(101.9)**	**(315.9)**	**(28.8)**	**(446.5)**
Depreciation charge for the year	(10.0)	(65.6)	(2.9)	(78.6)
Impact of business combination	-	-	-	-
Disposals/Reversals	27.1	28.9	11.2	67.2
Exchange differences	0.2	2.7	(0.3)	2.6
Scope out	1.4	1.0	0.8	3.2
Other	3.9	(4.1)	2.0	1.7
At December 31, 2022	**(79.4)**	**(353.0)**	**(18.0)**	**(450.3)**
Net value				
As at January 1st, 2022	**49.7**	**128.0**	**16.4**	**194.1**
At December 31, 2022	**46.6**	**163.2**	**17.2**	**227.0**

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2021	**166.8**	**587.7**	**37.8**	**792.3**
Additions	9.1	49.1	34.5	92.8
Impact of business combination	(3.3)	23.1	0.3	20.1
Disposals	(7.8)	(94.4)	(10.1)	(112.3)
Exchange differences	2.2	5.9	0.5	8.5
Other	9.1	(20.4)	(13.8)	(25.1)
IFRS 5 - TSS classified as held for sale	(24.5)	(107.1)	(4.1)	(135.7)
As at December 31, 2021	**151.6**	**443.8**	**45.2**	**640.6**
Accumulated depreciation				
As at January 1st, 2021	**(114.6)**	**(415.6)**	**(25.7)**	**(555.9)**
Depreciation charge for the year	(11.8)	(65.9)	(6.3)	(84.0)
Impact of business combination	1.7	(21.6)	(0.2)	(20.1)
Disposals/Reversals	6.2	80.8	1.9	88.9
Exchange differences	(1.6)	(4.8)	(0.3)	(6.7)
Other	0.6	21.5	0.6	22.7
IFRS 5 - TSS classified as held for sale	17.6	89.8	1.2	108.5
As at December 31, 2021	**(101.9)**	**(315.9)**	**(28.8)**	**(446.5)**
Net value				
As at January 1st, 2021	**52.2**	**172.0**	**12.1**	**236.4**
IFRS 5 - TSS classified as held for sale	(6.9)	(17.3)	(2.9)	(27.2)
As at December 31, 2021	**49.7**	**128.0**	**16.4**	**194.1**

Tangible capital assets of the Group mainly include computer equipment used in the production centers, particularly in the processing datacenters, and terminals rented to merchants. Land and buildings are mostly composed of technical infrastructures of datacenters.

Note 10 Right-of-use assets & lease liabilities

10.1. Right-of-use assets under IFRS 16

Accounting policies/principles

Right-of-use assets and lease liabilities are classified under three subcategories, land and buildings, IT equipment and other assets.

At inception of any contract, the Group assesses whether the contract is or contains an operating lease. This evaluation may require exercising a judgment to determine the useful life considered in the valuation.

The Group recognizes a right-of-use and a corresponding lease liability at the lease commencement date except for the following cases which are recorded on a straight-line basis in profit or loss over the life of the lease:

- Short term leases related to other assets;
- Low value assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rates. Those rates have been determined for all the currencies and geographies of the Group and by maturity. The incremental borrowing rates were calculated by taking for each currency a reference in debt quotation by maturity (bullet rate) and adding up a spread corresponding to the entity's cost of financing.

The lease liability is re-measured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised.

The Group has applied its judgment to determine the lease term for some real estate lease contracts in which it is a lessee and that include renewal or early termination options analysing whether those sites, mainly offices, were strategic or not. In most cases, the Group retained the contractual end date.

According to IFRS Interpretation Committee opinion, the Group did not identity major deviation between the lease term and the residual useful life of the underlying leasehold.

Right-of-use assets break down as follows, by type of underlying asset :

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2021	**372.0**	**42.2**	**32.3**	**446.5**
Additions	26.4	40.6	10.7	77.7
Impact of business combination	1.1	-	11.0	12.1
Disposals	(23.7)	(1.2)	(8.9)	(33.9)
Exchange differences	0.6	0.1	(0.1)	0.6
Other	(1.2)	-	(0.4)	(1.6)
At December 31, 2022	**375.1**	**81.7**	**44.6**	**501.4**
Accumulated depreciation				
As at January 1st, 2022	**(139.9)**	**(12.0)**	**(14.5)**	**(166.4)**
Depreciation charge for the year	(46.3)	(14.7)	(11.6)	(72.6)
Impact of business combination	(0.8)	-	(0.3)	(1.1)
Disposals/Reversals	23.8	1.2	6.2	31.2
Exchange differences	(0.4)	0.0	0.0	(0.4)
Other	1.2	(0.0)	0.3	1.6
At December 31, 2022	**(162.5)**	**(25.5)**	**(19.8)**	**(207.7)**
Net value				
As at January 1st, 2022	**232.1**	**30.2**	**17.9**	**280.1**
At December 31, 2022	**212.7**	**56.2**	**24.8**	**293.7**

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2021	**432.9**	**19.7**	**34.0**	**486.6**
Additions	90.3	29.1	8.7	128.0
Impact of business combination	(1.0)	0.0	0.2	(0.8)
Disposals	(74.7)	(4.3)	(7.5)	(86.5)
Exchange differences	5.6	0.2	(0.1)	5.7
Other	(22.8)	(1.1)	(0.9)	(24.8)
IFRS 5 - TSS classified as held for sale	(58.3)	(1.3)	(2.1)	(61.6)
As at December 31, 2021	**372.0**	**42.2**	**32.3**	**446.5**
Accumulated depreciation				
As at January 1st, 2021	**(170.1)**	**(9.8)**	**(13.8)**	**(193.7)**
Depreciation charge for the year	(73.6)	(8.0)	(9.6)	(91.2)
Impact of business combination	(3.2)	(0.1)	(0.1)	(3.4)
Disposals/Reversals	73.8	5.2	7.3	86.3
Exchange differences	(2.5)	(0.1)	0.1	(2.5)
Other	10.8	0.0	0.6	11.4
IFRS 5 - TSS classified as held for sale	24.9	0.8	1.1	26.7
As at December 31, 2021	**(139.9)**	**(12.0)**	**(14.5)**	**(166.4)**
Net value				
As at January 1st, 2021	**262.8**	**9.8**	**20.2**	**292.8**
As at December 31, 2021	**232.1**	**30.2**	**17.9**	**280.1**

10.2. Lease liabilities

Lease liabilities is composed as follows:

(In € million)	Total
Gross value	
As at January 1st, 2021	**300.1**
Additions	132.9
Impact of business combination	(0.6)
Reimbursment	(83.2)
Exchange differences	3.3
Other	(9.0)
IFRS 5 - TSS classified as held for sale	(33.8)
As at December 31, 2021	**309.6**
Additions	78.6
Impact of business combination	11.2
Reimbursment	(73.1)
Exchange differences	0.3
Other	(0.3)
At December 31, 2022	**326.4**

10.3 Maturity schedule Lease liabilities

(In € million)	Up to 1 year	1 to 5 years	Over 5 years	TOTAL
TOTAL as at December 31, 2022	**73.0**	**192.6**	**60.8**	**326.4**

Note 11 Pensions and similar benefits

Accounting policies/principles

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution costs are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been accomplished by beneficiaries.

The valuation of Group defined benefit obligation is based on a single actuarial method known as the "projected unit credit method". This method includes the formulation of specific assumptions which are periodically updated, in close liaison with external actuaries of the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing. The fair value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension plan obligation and their related assets is actuarial differences. These actuarial differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses generated on post-employment benefit plans on the period are recognized in "other comprehensive income".

Benefit plans costs are recognized in the Group's "Operating Margin", except for interest costs on net obligations which are recognized in "other financial income and expenses".

The net total liability recognized in the Group's balance sheet in respect of pension plans and other long-term benefits plans amounts to € 137.5 million at December 31, 2022 (compared to a net total liability of € 227.2 million at December 31, 2021). This net total liability is the difference of a total defined benefit obligation of € 649.2 million and a total fair value of plan assets of € 551.9 million with an asset ceiling limitation of €40.2 million.

Worldline Group's defined benefit obligations at December 31, 2022 are located predominantly in Switzerland (46% of total obligations), Germany (20%), Belgium (15%), the United Kingdom (9%), and France (8%).

The amount recognized as an expense for defined contribution plans is € 20,1 million for the year 2022 (2021: € 19.3 million).

11.1. Characteristics of significant plans and associated risks

In Switzerland, the obligations flow from a legacy defined benefit plans, exceeding the minimum mandatory pension benefit required by the Swiss law (BVG). Pension contributions are paid by both the employees and the employer and are calculated as a percentage of the covered salary. The rate of contribution depends on the age of the employee. At retirement, the employees' individual savings capital is multiplied by the conversion rate, as defined by the pension fund regulations, and can be paid out as either a lifetime annuity or a lump-sum payment. In the event of disability, the pension plan pays a disability pension until ordinary retirement age. In the event of death before retirement, the pension plan pays a spouse pension for life.

In Germany, the majority of obligations flow from defined benefit pension plans which are closed to new entrants. The plans are subject to the German regulatory framework, which has no funding requirements, but does include compulsory insolvency insurance (PSV). The plans are however partially funded via either an insurance company or a Contractual Trust Agreement (CTA). The investment strategy of the insurance contract is set by the insurance company. The CTA is governed by a professional independent third party. The investment strategy is set by the Investment Committee composed of employer representatives.

In Belgium, the majority of obligations flow from a defined benefit pension plan which is closed to new entrants and a Defined Contribution plan with a minimum investment return guaranteed by the Company on both employer and employee contributions open to new entrants.

The Defined Benefit plan is subject to the Belgian regulatory framework where funding requirements are based on a 6.0% discount rate and prescribed mortality statistics. In case of underfunding, a deficit must be supplemented immediately. The plan is insured with a professional insurance company. The investment strategy is set by the insurance company.

The Defined Contribution plan with guaranteed return is subject to the Belgian regulatory framework. In case of underfunding when the employee leaves for retirement, a deficit must be supplemented. The plan is insured with a technical return (which is now set by the insurers below the legal minimum guaranteed return) as well as a possible profit share provided by the insurance company. The investment strategy is set by the insurance company.

The Group's obligations are also generated by legacy defined benefit plans in the UK (closed to new entrants) and in France (open to new entrants) and, to a lesser extent, by legal or collectively bargained end of service benefit plans and other long-term benefits such as jubilee plans.

These plans do not expose Worldline to any specific risks that are unusual for these types of benefit plans. Typical risks include increase in inflation, longevity, decrease in discount rates and adverse investment returns.

Worldline recognized all actuarial gains and losses and asset ceiling effects generated in the period in other comprehensive income for pension plans and through expense for the other long-term benefits plans

11.2. Events in 2022

The Corporate bond interest rate markets for all major zone/countries were particularly volatile this year. The discount rates at December 31, 2022 have significantly increased since December 31, 2021. This led to a decrease in the obligation of about € 228 million partially off-set by the other actuarial loss due mainly to the increase in the inflation rate and pension increase rate, the underperformance of the assets that generated a loss of € 69 million and the change in irrecoverable surplus of € 40 million in Switzerland.

Due to market conditions as at December 31, 2022, the main plans in Switzerland and in the UK are in surplus situations under IAS 19. The surplus in respect of the Swiss Pension Plan has not been fully recognized on the balance sheet due to IFRIC 14 limitations resulting in a 40.2 M€ charge to other comprehensive income. The prepaid pension cost asset recognized in respect of this plan has been limited to 6.9 M€. The surplus of € 14.5 million in respect of the main pension plan in the UK has been fully recognized. Therefore, a pension asset of € 21.5 million has been recognized as at December 31, 2022.

11.3. Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31, 2022 rely on the following components, determined at each benefit plan's level:

(In € million)	As at December 31, 2022	As at December 31, 2021
Amounts recognized in financial statements consist of :		
Prepaid pension asset – post employment plans	21.5	14.6
Accrued liability – post employment plans	(154.3)	(236.5)
Accrued liability – other long term benefits	(4.7)	(5.3)
Net amounts recognized – Total	**(137.5)**	**(227.2)**
Components of net periodic cost		
Service cost (net of employees contributions)	31.4	32.0
Past service cost, Settlements	-	(2.1)
Actuarial (gain)/loss in other long term benefits	(0.7)	0.1
Operating expense	30.6	**30.0**
Interest cost	6.7	5.5
Interest income	(4.2)	(3.5)
Interest cost on the effect of the asset ceiling	-	0.1
Financial expense	**2.5**	**2.1**
Net periodic pension cost – Total expense/(profit)	**33.2**	**32.1**
Of which, net periodic pension cost – post employment plans	*33.5*	*31.4*
Of which, net periodic pension cost – other long term benefits	*(0.3)*	*0.7*
Change in defined benefit obligation		
Defined benefit obligation –post employment plans at January 1st	819.0	802.6
Defined benefit obligation – other long term benefits at January 1st	5.3	6.1
Total Defined Benefit Obligation at January 1st	**824.3**	**808.7**
Exchange rate impact	14.7	22.4
Service cost (net of employees contributions)	31.4	32.0
Interest cost	6.7	5.5
Employees contributions	8.7	7.4
Past service cost, Settlements	-	(2.1)
Business combinations/(disposals)	(3.7)	0.9
Benefits paid	(27.7)	(22.6)
Actuarial (gain)/loss - change in financial assumptions	(212.6)	7.1
Actuarial (gain)/loss - change in demographic assumptions	2.4	(11.1)
Actuarial (gain)/loss - experience results	4.9	25.0
IFRS 5	-	(48.8)
Defined benefit obligation at December 31st	**649.2**	**824.3**

The weighted average duration of the liability is 9.3 years.

(In € million)	As at December 31, 2022	As at December 31, 2021
Change in plan assets		
Fair value of plan assets at January 1st	**597.1**	**566.8**
Exchange rate impact	14.6	21.7
Actual return on plan assets	(64.3)	42.9
Employer contributions	17.0	15.5
Employees contributions	8.7	7.4
Benefits paid by the fund	(21.9)	(15.6)
Business combinations/(disposals)	0.6	-
IFRS 5	-	(41.6)
Fair value of plan assets at December 31st	**551.9**	**597.1**
Reconciliation of prepaid/(accrued) Benefit cost (all plans)		
Funded status-post employment plans	(92.6)	(221.9)
Funded status-other long term benefit plans	(4.7)	(5.3)
Asset ceiling limitation at December 31st	(40.2)	-
Prepaid/(accrued) pension cost	**(137.5)**	**(227.2)**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**(227.2)**	**(247.3)**
Net periodic pension cost	(33.2)	(32.1)
Benefits paid by by the employer	5.8	7.0
Employer contributions	17.0	15.5
Business combinations/(disposals)	4.3	(0.9)
Amounts recognized in Other Comprehensive Income	95.8	24.0
Exchange rate	(0.1)	(0.7)
IFRS 5		7.3
Net amount recognized at end of year	**(137.5)**	**(227.2)**

11.4. Actuarial assumptions

Worldline obligations are valued by independent actuaries, based on assumptions that are periodically updated. These assumptions are set out in the table below:

	United Kingdom		Eurozone		Switzerland	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Discount rate as at December 31	4.85%	1.80%	3.15% ~ 3.75%	0.90% ~ 1.05%	2.25%	0.35%
Inflation assumption as at December 31	3.40%	3.30%	2.10%	1.80%	1.50%	1.00%

The inflation assumption is used for estimating the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plan	-3.6%	3.4%
Swiss main pension plan	-0.8%	0.1%
German main pension plan	-4.5%	3.1%
Belgian main pension plan	-2.3%	1.2%
French main pension plan	-3.4%	0.0%

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions, they do however include effects that the inflation assumption would have on salary increase assumptions, pension increase and other assumptions.

11.5. Plan assets

Plan assets were invested as follows:

	As at December 31, 2022	As at December 31, 2021
Equity	32.0%	36.0%
Bonds	14.0%	16.0%
Real Estate	20.7%	14.0%
Cash and Cash equivalent	15.8%	19.0%
Other	17.5%	15.0%

11.6. Summary net impacts on profit and loss and cash

The net impact of defined benefits plans on the Group's financial statements can be summarized as follows:

<u>Profit and loss</u>

(In € million)	As at December 31, 2022			As at December 31, 2021		
	Post-employment	Other LT benefit	**Total**	Post-employment	Other LT benefit	**Total**
Operating margin	(31.0)	0.4	**(30.6)**	(29.3)	(0.7)	**(30.0)**
Financial result	(2.5)	(0.0)	**(2.5)**	(2.1)	0.0	**(2.1)**
Total (expense)/profit	(33.5)	0.3	**(33.2)**	(31.4)	(0.7)	**(32.1)**

<u>Cash impacts of pensions</u>

The cash impact of pensions in 2022 was mainly composed of cash contributions to pension or insurance funds for € 17.0 million, the remaining part of € 5.8 million being benefit payments directly made by the Group to the beneficiaries.

Contributions to pension or insurance funds in 2023 are expected to be of € 17.0 million.

Note 12 Provisions

Accounting policies/principles

The Group uses actuarial assumptions and methods to measure provisions. Provisions are recognized when:

- The Group has a present legal, regulatory, contractual or constructive obligation as a result of past events and;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- The amount has been reliably quantified.

Provisions are discounted when the time value effect is material. Changes in discounting effects at each accounting period are recognized in financial expenses.

Litigation and claims

The Group is engaged in a number of claims and judicial and arbitral proceedings that have arisen in the normal course of its business. These claims and proceedings are regularly reviewed by the Legal Department and are covered by provisions if the Group considers that it is probable that an outflow of resources will be necessary to cover the risk incurred and that such an outflow can be reliably estimated, it being understood that events that occur during the proceedings may necessitate a reassessment of the risk. Reversals of unused amounts chiefly reflect the resolution of such disputes that were settled in the Group's favour, or in which the amount of the damages awarded proved to be lower than originally estimated.

Product quality risk

A provision for product quality risk is recognized when this risk is not covered by the provision for warranties.

(In € million)	As at December 31, 2021 Restated	Charge	Release used	Release unused	Business combination	Other (*)	Reclassification of the TSS terminal business under IFRS 5	As at December 31, 2022	Current	Non-current
Project commitments	2.5	0.3	(0.1)	-	-	(0.4)		2.3	1.6	0.7
Litigations and contingencies	61.5	57.9	(1.7)	(12.0)	0.5	(5.9)		100.2	9.8	90.4
Other	5.7	1.4	(3.2)	0.3	-	0.7	-	4.9	3.1	1.7
Total provisions	**69.7**	**59.6**	**(5.1)**	**(11.8)**	**0.5**	**(5.5)**	**-**	**107.4**	**14.5**	**92.8**

(In € million)	As at December 31, 2020	Charge	Release used	Release unused	Business combination	Other (*)	Reclassification of the TSS terminal business under IFRS 5	As at December 31, 2021 Restated	Current	Non-current
Project commitments	1.7	0.9	(0.1)	-		(0.0)	-	2.5	1.4	1.1
Litigations and contingencies	92.5	9.3	(7.5)	(3.3)	(0.1)	(3.5)	(25.9)	61.5	13.8	47.7
Other	18.6	9.6	(13.2)	(1.3)	0.8	5.0	(13.8)	5.7	3.9	1.8
Total provisions	**112.8**	**19.8**	**(20.8)**	**(4.6)**	**0.7**	**1.5**	**(39.8)**	**69.7**	**19.1**	**50.5**

** Other movement mainly corresponds to currency conversion adjustments.*

The closing position of litigations and contingencies provisions of € 100.2 million includes a number of litigation issues, tax and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

The Legal department and the lawyers of the Group as well as the related functions (such as HR and Tax) closely monitor these situations with a view to minimize the ultimate liability.

In 2022, the increase in litigation and contingencies of €57.9 million is mainly related to guarantees towards Apollo, under specific terms and conditions, in relation to TSS disposal. This was part of the disposable agreement and was recorded against the net income of discontinued operations.

Note 13 Shareholder equity

13.1. Equity attributable to the owners of the parent

Accounting policies/principles

Treasury stock

Worldline shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

During this year 2022, 1,285,023 new shares were created following the exercise of:

- The Boost 2021 employee share purchase plan (307,320 shares)
- The stock-options plan (150,646 shares); and
- The free shares plan (827,057 shares).

At the end of December 2022, 281,769,840 shares of € 0.68 par value each were outstanding. Worldline S.A. share capital was increased from € 190,729,675.56 as of January 1st, 2022, to € 191,603,491.20 at the end of December 2022.

13.2. Non-controlling Interests

Accounting policies/principles

The share of profit or loss attributable to non-controlling shareholders is recognized in equity attributable to non-controlling interests. Similarly, the share of dividends payable is recognized in equity attributable to non-controlling interests.

(In € million)	As at December 31, 2021	2022 Income	Capital Increase	Dividends	Scope Changes	Other	As at December 31, 2022
GoPay	1,9	0,6			(2,5)		-
Payone	868,8	25,3		(12,4)	1,8	(2,3)	881,2
ANZ	-	(20,1)			316,0	(22,7)	273,2
Other	0,3	(1,7)		(0,8)	(6,0)	8,6	0,3
Total	**871,0**	**4,1**		**(13,2)**	**309,3**	**(17,0)**	**1 154,7**

The non-controlling interests and associates at the end of December 2022 was € 1,154.7 million related to the participation in ANZ and Payone. The scope changes are mainly due to the acquisition of a controlling stake in the commercial acquiring business of ANZ and the creation of a 51%-49% joint-venture controlled by Worldline to operate and develop commercial acquiring services in Australia with ANZ Bank, one of the largest banks in Asia-Pacific and Australia's 3rd largest acquirer.

13.3. Earnings per Share

Accounting policies/principles

Basic earnings per share are calculated by dividing the net income (attributable to owners of the parent), by the weighted average number of ordinary shares outstanding during the period. Treasury shares are not taken into account in the calculation in the basic or diluted earnings per share.

Diluted earnings per share are calculated by dividing the net income (attributable to owners of the parent), adjusted for the financial cost (net of tax) of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted.

The weighted average number of shares amounts to 281,179,484 shares for the period. At the end of December 2022, potential dilutive instruments comprised stock subscription (equivalent to 457,917 shares) and convertible bonds effect (equivalent to 12,775,380 shares).

(In € million and shares)	12 months ended December 31, 2022	%	12 months ended December 31, 2021	%
Net income from continuing operations	210.7		191.1	
Net income from discontinued operations	88.5		(942.5)	
Net income [a]	**299.2**	**5.6%**	**(751.4)**	**-15.3%**
Diluted net income from continuing operations	219.2		199.2	
Diluted net income from discontinued operations	88.5		(942.5)	
Diluted net income [b]	**307.7**	**5.7%**	**(743.3)**	**-15.2%**
Normalized net income from continuing operations	544.9		440.0	
Normalized net income from discontinued operations	198.0		204.7	
Normalized net income [c]	**742.9**	**13.9%**	**644.6**	**13.2%**
Normalized diluted net income from continuing operations	553.3		448.1	
Normalized diluted net income from discontinued operations	198.0		204.7	
Normalized diluted net income [d]	**751.3**	**14.0%**	**652.7**	**13.3%**
Average number of shares [e]	281 179 484		279 668 350	
Impact of dilutive instruments	13 233 297		13 668 623	
Diluted average number of shares [f]	294 412 781		293 336 973	
(In €)				
Basis EPS [a] / [e]	1.06		(2.69)	
Diluted EPS [b] / [f]	1.05		(2.53)	
Normalized basis EPS [c] / [e]	2.64		2.30	
Normalized diluted EPS [d] / [f]	2.55		2.23	

Note 14 Off-balance sheet commitments

14.1. Contractual commitments

The table below illustrates the minimum future payments for firm obligations and commitments over the coming years.

(In € million)	As at December 31, 2022	Maturing			As at December 31, 2021
		Up to 1 year	1 to 5 years	Over 5 years	
Operating leases: IT equipment	9.7	4.3	5.4	-	16.0
Non-cancellable purchase obligations	233.6	39.5	157.9	36.2	296.5
Total Commitments	**243.2**	**43.8**	**163.3**	**36.2**	**312.5**

Non-cancellable purchase obligations mainly relate to contractual engagements towards SIX Group AG (See Note 15 “Related parties”).

On top of the numbers presented hereabove, and in the frame of the sale of TSS, Worldline is engaged to buy from TSS a certain percentage of its annual spendings of terminal value.

14.2. Commercial commitments

(In € million)	As at December 31, 2022	As at December 31, 2021
Bank guarantees	**67.1**	**57.7**
- Operational - Performance	29.6	26.6
- Operational - Bid	0.4	0.6
- Operational - Advance Payment	-	0.2
- Financial or Other	37.1	30.3
Parental guarantees	**951.9**	**797.8**
- Operational - Performance	574.4	624.3
- Operational - Other Business Orientated	22.9	13.3
- Financial or Other	354.7	160.2
Pledges	**23.6**	**22.3**
Total	**1,042.6**	**877.7**

For various large long-term contracts, the Group provides parental guarantees to its clients. In addition, the Group has pledged some cash deposit in order to secure payments to third parties. It may be substituted by the group for bank guarantee at any time.

14.3. Other commitments

Commitments received

(In € million)	As at December 31, 2022	As at December 31, 2021
Guarantee received on acquisitions of companies	1,969.5	1,891.0
Other commitment received	-	-
Total	**1,969.5**	**1,891.0**

Commitments given

(In € million)	As at December 31, 2022	As at December 31, 2021
Guarantee given on disposal of companies	2,103.1	2,066.1
Other commitment received	2.8	3.6
Total	**2,105.9**	**2,069.7**

Increases in 2022 of commitments received and given on acquisitions and disposals of companies are mainly related to Axepta acquisition and TSS disposal.

Note 15 Related parties

Accounting policies/principles

The related parties include:

- Worldline's reference shareholders (SIX Group AG and its subsidiaries which are not part of the Worldline's consolidation scope);
- The entities that are controlled or jointly controlled by the Group, the entities that are a post-employment defined benefit plan for the benefit of the employees of the Group or the entities that are controlled or jointly controlled by a member of the key management personnel of the Group; and
- The key management personnel of the Group, defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors (including the Chairman), as well as the Chief Executive Officer and the Deputy Chief Executive Officer.

The main transactions between the related entities are composed of:

- The reinvoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services;
- The interest expenses related to the financial items.

These transactions are entered into at market conditions.

The related party transactions are detailed as follows:

With SIX Group AG

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Revenue	38.3	35.7
Operating income / expenses	(48.7)	(46.7)

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(In € million)	As at December 31, 2022	As at December 31, 2021
Trade accounts and notes receivables	121.9	133.9
Other current assets	0.1	-
Trade accounts and notes payables	9.7	3.5
Other current liabilities	-	0.2

The off-balance sheet commitments regarding the related parties are detailed as follows:

(In € million)	As at December 31, 2022	Maturing			As at December 31, 2021
		Up to 1 year	1 to 5 years	Over 5 years	
Contractual engagements	233.6	39.5	157.9	36.2	259.0
Commitments	**233.6**	**39.5**	**157.9**	**36.2**	**259.0**

The contractual engagements are mainly related to LTIA (long term infrastructure agreement).

Cost of key management personnel of the Group

In 2022, the expenses related to key management personnel included:

- Those related to the Worldline Chief Executive Officer;
- Those related to the Deputy Chief Executive Officer;
- The cost of the members of the Board (Director's fees expensed in 2022); and
- Those related to the Chairman of the Board of Directors.

The distribution of the expense recorded in the consolidated financial statements for key management of the Group is as follows:

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Short-term benefits	3.9	3.2
Employer contributions (*)	1.6	1.5
Performance share plans & stock options (**)	3.5	3.7
Total	**9.0**	**8.4**

** employer contributions due on fixed salary and variable of the key management personnel of Worldline as well as on the grant of the Worldline stock-options plan to key management personnel of Worldline on June 9, 2022 and on the vesting of the 2019 Worldline free shares plan to key management personnel on July 24, 2022.*
*** IFRS 2 2022 accounted for the Worldline performance share plans granted to key management personnel of Worldline on July 24, 2019, June 9, 2020, May 27, 2021 and June 9, 2022 and for the Worldline stock-options plans granted to the key management personnel of Worldline on July 24, 2019, June 9, 2020, May 27, 2021 and June 9, 2022.*

Note 16 Main entities part of scope of consolidation as of December 31, 2022

Entity	% of interest	Consolidation method	Countries
Worldline SA	**Parent company**	**Holding**	**France**
equensWorldline GMBH	100	Full consolidation	Germany
Worldline NV/SA	100	Full consolidation	Belgium
Worldline France SAS	100	Full consolidation	France
equensWorldline SE	100	Full consolidation	Netherlands
equensWorldline Belgium	100	Full consolidation	Belgium
SIX Payment Services Ltd	100	Full consolidation	Switzerland
WL Services Australia Pty	100	Full consolidation	Australia
Worldline e-Commerce Solutions BV/SRL	100	Full consolidation	Belgium
Worldline PAYONE Holding GmbH	60	Full consolidation	Germany
PAYONE GmbH	60	Full consolidation	Germany
PAYONE GmbH - Austria	60	Full consolidation	Austria
Retail International Holding S.A.S.	100	Full consolidation	United-Kingdom
Global Collect Services B.V.	100	Full consolidation	Belgium
Paymark Limited	100	Full consolidation	New Zealand
Bambora Top Holding AB	100	Full consolidation	Sweden
Bambora Group AB	100	Full consolidation	Sweden
Bambora AB	100	Full consolidation	Sweden
Worldline IGSA Group S.A.	100	Full consolidation	France
Global Collect B.V.	100	Full consolidation	Belgium
Payment Acceptance Australia Pty. Ltd.	51	Full consolidation	Australia

Information on subsidiaries with significant non-controlling interests

Entities	Pourcentage of non-controlling interests	Total assets* *(in € million)*
Payone	40%	4,343
Payment Acceptance Australia Pty. Ltd.	49%	1,967

**The financial information summarized is presented at 100% before elimination of intra-group transactions.*

Note 17 Auditors' Fees

(In € Thousands and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		*Grant Thornton*		Réseau	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	433.0	49%			347.8	57%		
Subsidiaries	385.0	44%	1,637.0	94%	175.0	29%	1,559.6	100%
Sub-total Audit	**818.0**	**93%**	**1,637.0**	**94%**	**522.8**	**85%**	**1,559.6**	**100%**
Non audit services								
Parent company	60.0	7%			91.1	15%		
Subsidiaries			100.0	6%			3.7	0%
Sub-total Non Audit	**60.0**	**7%**	**100.0**	**6%**	**91.1**	**15%**	**3.7**	**0%**
Total fees 2022	**878.0**	**100%**	**1,737.0**	**100%**	**613.9**	**100%**	**1,563.3**	**100%**

In 2022, non-audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligences, (iii) tax services, authorized by local legislation, in some foreign subsidiaries, and (iv) assurance report SOC2.

(In € Thousands and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		*Grant Thornton*		Réseau	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	390.0	37%			397.8	66%	-	
Subsidiaries	425.0	41%	1,680.0	87%	163.5	27%	1,681.9	98%
Sub-total Audit	**815.0**	**78%**	**1,680.0**	**87%**	**561.3**	**93%**	**1,681.9**	**98%**
Non audit services								
Parent company	170.0	16%	17.0	1%	42.5	7%	-	
Subsidiaries	60.0	6%	235.0	12%		0%	27.0	2%
Sub-total Non Audit	**230.0**	**22%**	**252.0**	**13%**	**42.5**	**7%**	**27.0**	**2%**
Total fees 2021	**1,045.0**	**100%**	**1,932.0**	**100%**	**603.8**	**100%**	**1,708.9**	**100%**

In 2021, non-audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligences, (iii) tax services, authorized by local legislation, in some foreign subsidiaries, and (iv) assurance report SOC2.

Note 18 Subsequent events

TSS

Worldline sold its remaining 15.04% participation in TSS to Apollo on January 1st, 2023.

As mentioned in the Note 1 "Main changes in the scope of consolidation", in the context of the disposal of its 84.96% of its subsidiary TSS (Terminals, Solutions & Services) to Apollo, Worldline took the commitment to sell the remaining 15,04% in January 2023.

OPP

In January 2023, Worldline completes the acquisition of a 40% stake in Online Payment Platform B.V.

Founded in 2011, Online Payment Platform (OPP) is a Dutch online Payment Service Provider with a dedicated payment solution for marketplaces and platforms and a specific focus in the C2C segment. The transaction enriches the growth profile of Worldline, and enables synergy for both parties involved through Worldline's sale infrastructure. This transaction is perfectly in line with Worldline's strategic roadmap as it expands its exposure into e-commerce and brings a proven technological brick with a unique solution built from the ground up.

C. APPENDICES

C.1. Contacts

C.1.1. Headquarters

Tour Voltaire
1, Place des Degrés
92800 Puteaux – France
+33 1 34 34 95 95

C.1.2. Global Organization

Merchant Services
Niklaus Santschi

Financial Services
Alessandro Baroni

Mobility & e-Transactional Services
Caroline Jéséquel

C.1.3. Corporate functions

Chief Executive Officer
Gilles Grapinet

Deputy Chief Executive Officer
Marc-Henri Desportes

Chief Financial Officer
Grégory Lambertie

General Secretary
Legal, Contract Management & Compliance
Charles-Henri de Taffin

Operational Performance
Lisa Coleman

Quality, Risks and Security
Eglantine Delmas

Chief Technology & Operations Officer
Christophe Duquenne

Chief People Officer
& Corporate Digital Acceleration
Philippe Mareine

Communication, Marketing & Sales
Pascal Mauzé

M&A and Development
Pierre-Emmanuel Degermann

Corporate Social Responsibility
Sébastien Mandron

Strategy, Public & Regulatory Affairs
Wolf Kunisch

C.1.4. Investors Relation

Institutional investors, financial analysts and individual shareholders can obtain information from :

Head of Investor Relations
Laurent Marie
Tel: +33 (0)7 8450 1890
Mail: laurent.marie@worldline.com

Benoit d'Amécourt
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More information concerning the Company, such as financial information, AMF regulated information, corporate governance or corporate responsibility & sustainability, is available on the website of Worldline worldline.com.

Requests for information can also be sent by email to investor-relations@worldline.com.

C.2. Financial calendar

- April 26, 2023 — Q1 2023 revenue
- June 8, 2023 — Annual General Shareholders' Meeting
- July 26, 2023 — H1 2023 results
- October 25, 2023 — Q3 2023 revenue

About Worldline

Worldline [Euronext: WLN] is a global leader in payment services and the technology partner of choice for merchants, banks and acquirers. Powered by 18,000 employees in 40 countries, Worldline provides its clients with sustainable, trusted and innovative solutions fostering their growth. Services offered by Worldline include instore and online commercial acquiring, highly secure payment transaction processing and numerous digital services. In 2022 Worldline generated a revenue of 4.4 billion euros. worldline.com

Worldline's corporate purpose ("raison d'être") is to design and operate leading digital payment and transactional solutions that enable sustainable economic growth and reinforce trust and security in our societies. Worldline makes them environmentally friendly, widely accessible, and supports social transformation.

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