2019

UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

ingenico GROUP

CONTENTS

All financial information
is available on our website
www.ingenico.com/fr

2019

UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report

This Universal Registration Document has been filed on April 24, 2020 with the Autorité des Marchés Financiers (AMF), as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to article 9 of said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Ingenico Group is a partner to financial institutions, e-commerce, small merchants and major retailers. They all have one thing in common: they trust us to guarantee the reliability and fluidity of payments, which is essential for securing purchases.

NEARLY
9,000
EMPLOYEES

€3.3 billion
IN REVENUE

8%
OF REVENUE DEVOTED TO R&D

Ingenico Group, global leader in seamless payment

For 40 years now, Ingenico Group has been the trusted and proactive world-class partner for financial institutions and retailers, thanks to its comprehensive offering of payment acceptance services which cover the whole payment value chain and all sales channels. The Group offers secure solutions that adapt to both the local needs and international ambitions of its clients, to deliver a unique customer experience. Our international community of payment experts anticipates the evolutions of commerce and consumer lifestyles to offer our clients leading-edge complete solutions wherever they are needed.

A presence in all segments of the market

Ingenico supports all merchants, from small players to the world's best-known global brands, indirectly through its B&A business unit, or directly through its Retail business unit. Whichever approach is chosen, the Group adapts to all merchants' ambitions to help them deliver customer promises.

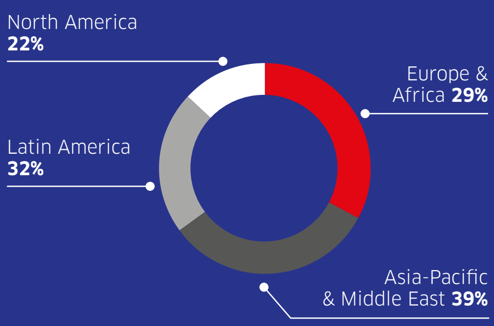
B&A

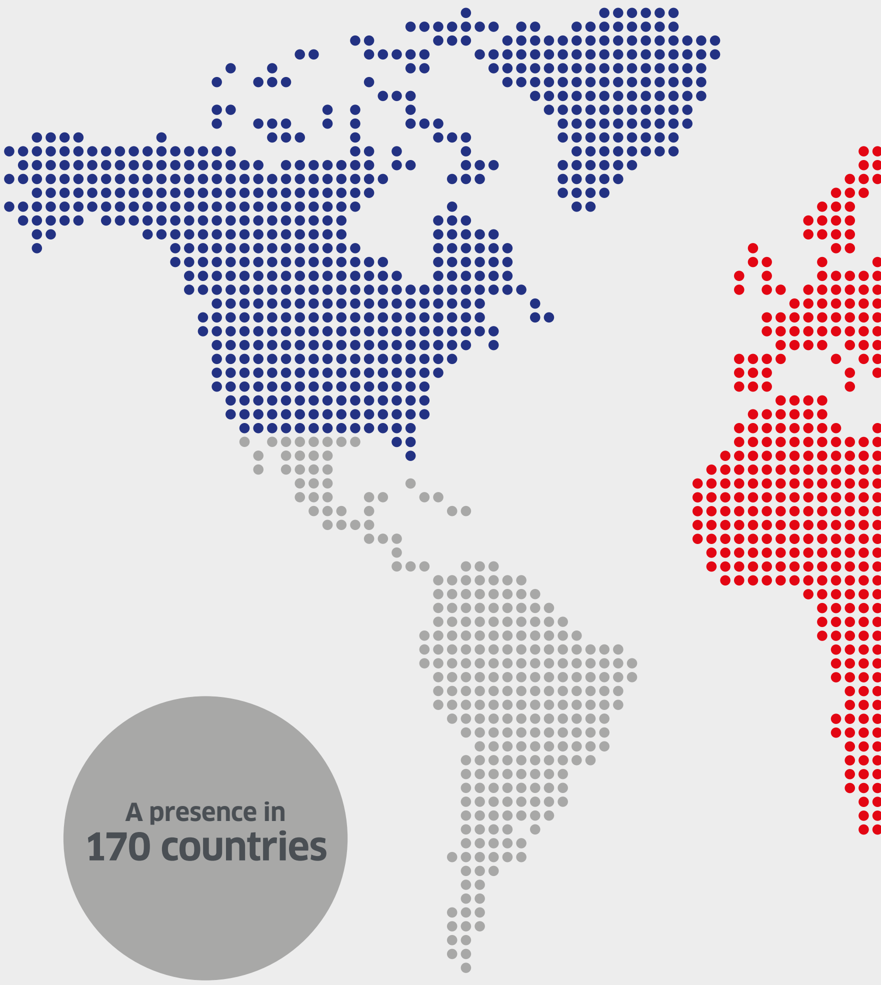
(indirect)

Allow our partners to make the difference through innovation and added value services

- payments in every touchpoints, from desk to IoT
- innovative solutions to banks and acquirers through tools and leading-edge technology
- strong relationship with our partners
- our solutions suited to markets maturity

€1,451M
revenue





550,000+
merchants

1,000+
banks and acquirers

3
environments in-store mobile and online

300
payment methods

2,500
applications

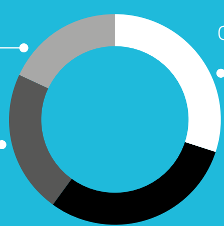
RETAIL

(Direct)

Delivering value directly to all merchant segments

- differentiated value proposition to each merchant
- full service offering deployed across all segments
- an expanding merchant base
- growth opportunities developed geographically

€1,919M
revenue



> "Ingenico has accelerated its growth, kept its commitment to results, and regained its credibility in the financial markets. Ingenico's primary strength is its talent pool and the quality of its technical and subject matter experts."

BERNARD BOURIGEAUD
Chairman of the Board of Directors

2019 was a year of strong and positive transformation for Ingenico Group, under the leadership of a new management team. Driven by Nicolas Huss, a reinvigorated and robust sales culture resulted in significant growth in our revenue. B&A undertook a deep transformation after a difficult 2018 year, whilst Retail accelerated its growth and completed the consolidation of the companies we recently acquired. Our partnership with the German savings banks is also showing great potential. The work done by our support functions has been tremendous too. In 2019, the Group kept its commitment to results and regained its credibility in the financial markets. Bravo to all of our teams.

As you are aware, the Board of Directors is responsible for the Company's strategic direction, and we work extremely closely with the Chief Executive Officer and his team. As Chairman of the Board of Directors, I also head up the Strategic Committee, a duty I carry out with support from other members of the Board, including Nicolas. This year, we achieved our objective: we developed and then announced the new strategy but also, and most importantly, executed it successfully. In 2019, Nicolas and I spoke very regularly and worked in a transparent, honest, and frank manner. The unity of the Board was improved, and we worked with complete confidence with the management team.

Our primary strength at Ingenico is our talent pool and the quality of our technical and subject matter experts. Importantly, we must ensure that this is maintained by recruiting more young people, as young talent is a crucial part of any successful and innovative company. Our second strength lies in our portfolio of customers, from the smallest merchants to the largest international retailers. Thirdly, one of our indisputable competitive advantages is our geographical coverage: as a global player, the Group has an unparalleled international presence. Furthermore, through our two business units, B&A and Retail, we cover the entire payment value chain. In this sense, we are unique. Finally, the Group benefits on a high-quality, gender-balanced, and multicultural management team.

Despite its excellent performance in 2019, there are still many challenges to face for the Group. I am thinking, first and foremost, of the consolidation of the large American players. Even though these players are currently focused on consolidating their recent acquisitions, no doubt they will soon turn their sights to Europe. In these circumstances, European players need to organize themselves, and Ingenico Group will have a role to play in this European consolidation. In this context, the alliance of Ingenico Group and Worldline will provide Europe with an undisputed champion that will play a decisive role in the future of payments in Europe.

Our core business focus will continue to be our customers and, as a payments facilitator, we will continue with our efforts to support them and anticipate their needs. With this in mind, we will also continue to fly the flag for innovation even higher so that it becomes engrained across the entire company, instilling innovation into the design of our technological solutions, into our business models and into our corporate culture. We also need to look closely at future growth markets such as Asia, Latin America, and Africa. Finally, our need for expertise in payment services will increase more than ever before. To encourage and inspire people to take up careers in this sector, we aim to further develop our working environment and training, which will enable us to directly draw upon the very best talent in the market.

As 2020 opened against the backdrop of the historic Covid-19 crisis, I would particularly like to thank all of our Ingenico teams for their collective commitment and assure them of my full support.

INTERVIEW

NICOLAS HUSS

Chief Executive Officer

What is your view of 2019, a year of profound change for the Group?

2019 was a year of profound transformation, driven in particular by our "Fit for Growth" transformation plan. This evolution took place gradually, through three key stages: 2018 had enabled us to confirm the relaunch of the Retail business unit; the key event of early 2019 was the successful completion of our joint venture with Payone; and in 2019, we relaunched the B&A business unit, a fundamental transformation that took place over a full year, which has been extremely fruitful. We also successfully initiated the redesign of our operational model, which was a necessity. Our transformation needs to be sustainable and we will continue working on it over the next three years. In many ways, 2019 was an intense, busy and challenging year. I would like to thank our teams for their support for this crucial transformation; they all showed great commitment to it.

You set up a new Executive Committee. How did you work with this new team?

When I was appointed Chief Executive Officer at the end of 2018, I was committed to working alongside an Executive Committee that reflects the strengths of Ingenico Group, as well as its diversity. My idea was to build this team around four key criteria: expertise primarily, but also nationality, gender and geographical location. We have brought in external talent, while ensuring that we also offer opportunities to our in-house talent. We had to define a strong, balanced cornerstone to support common values with appropriate expertise. The Executive Committee we have today is the result of this skillful balance. In 2019, working with the new team, we rolled out our three-year strategy and launched and

> "2019 was a year of profound transformation - a transformation that needs to be sustainable and that we will continue working on over the years to come."

continued the transformation of all our business activities, making decisions quickly, though always as a committee, and above all, with confidence.

What are the main challenges ahead for the B&A and Retail businesses?

At a time when the payment terminal market is being transformed through rapid technological change, B&A is adapting its offering to this new ecosystem. From Android payment terminals to its global reach and local know-how, B&A is already in a great position to make the most of new opportunities. Retail is developing in a rapidly changing environment. Over the last few years, the Retail business has developed into one of the main players in payments, offering solutions to merchants either directly or through partners. Its revenue and profitability have improved over the last three years as a result of strategic acquisitions, organic investments and a complete reorganization. This momentum is expected to continue, particularly through successful joint-ventures - a model which I strongly believe in - such as the one we launched with Payone.

Recruiting talent is one of the main priorities of all Tech companies. What was your strategy in this regard?

Recruiting talent was the absolute priority in 2019 – we recruited almost 1,400 people as permanent contracts – and will continue to be so in 2020. We don't just want to be a good example; we want to be the best. Although the Group is not yet at critical mass, it is an expert in critical areas, and we must capitalize on this leverage to attract talented people. We will continue to structure our HR policy to attract them and make even more room for young people, who are crucial to an innovative company. This momentum was already well established in 2019, with the appointment of young people in highly responsible positions; we should congratulate ourselves for such initiative.

> "We made many decisions that were responsible and which always considered the future of the company, while maintaining a continuous pace of transformation to safeguard our medium-term strategy."

What are your three stand-out wins from 2019?

We made many decisions that were responsible and which always considered the future of the company, while maintaining a continuous pace of transformation to safeguard our medium-term strategy. We successfully launched and rolled out our strategy; we succeeded in transforming B&A, demonstrating that its added-value lies not only in our payment terminals, but also in all the high-value-added services we are able to provide to our customers. Lastly, as I said, I firmly believe in the combination-of-expertise model that we have developed with Payone, which is expected to go from strength to strength in the future.

CSR is a key issue for companies. What was your approach to it in 2019?

CSR is an ethic to live by, a way of thinking about the future. It must be instilled at all levels of the company. For several years, Ingenico Group has been committed to more responsible development and intends to step up its efforts with SHARE, our CSR program based on tangible objectives, which we launched in 2019. It centers around four main areas: governance, the company's corporate citizenship, human capital and the environment; this program is an extension of the steps the Group began to take several years ago. The program aims to respond to the major social, economic or environmental challenges we have identified in the payment sector. As a global player, we are responsible for making the act of payment more responsible and for giving it a new position as an act that has a positive impact on society as a whole.

Covid-19 disrupts social and economic organizations, how do you manage this crisis ?

The Covid-19 crisis is unprecedented in modern history. In this context, preserving the health and safety of our employees has been, and remains our top priority. From the start of the crisis, Ingenico has taken all mandatory steps to protect our employees and slow down the spread of the virus in strict compliance with national governments' instructions in countries where we operate. As a responsible employer, the Group has also taken all necessary measures to maintain job security and wages for all employees. In parallel, our ability to maintain business continuity is also critical at this time. As a true partner, we continue striving to help our customers conduct their businesses, through the high levels of service and product quality that our customers have come to expect from us. By doing so, we also aim to contribute to the world's economic activity and recovery, to which payments are essential. The current circumstances call for adaptability and solidarity from all of us. It is therefore more important than ever that we come together as a community to meet this challenge and overcome this exceptional situation.

NICOLAS HUSS
Chief Executive Officer

"For several years now, PAYONE has been providing us with all the payment services that we need for our bricks-and-mortar as well as our e-commerce business, from one single source. In the process, we benefit from a reliable partner and particularly from the simple and comfortable processing."

MICHAEL ROTERMUND,
Manager Communications
at **DÄNISCHES BETTENLAGER**,
one of Europe's leading commercial enterprises for mattresses, beds, furnishings and home accessories

"Payments is a critical part of the customer experience at Pinchos, and Bambora has helped us to take it to the next level. They truly understand our business, and have the solutions and expertise we need in every step of our journey."

RONNIE PERSSON,
CTO at **PINCHOS**,
the world's first app restaurant that offers the ultimate dining experience for the digital generation, where you book, order and pay straight in the app

"Thanks to our partnership with technology companies like Ingenico - who led the way in the UK - we are able to unlock more of the potential offered by micro-donations, and harness a community of giving amongst businesses and consumers in the UK, Northern Ireland and the Republic of Ireland. Ingenico is supporting the early growth in this movement. Pennies is a charity ourselves, entirely committed to raising millions more in vital funds for UK charities. We are on track to hit 100 million individual donations this year, a real milestone in micro-giving. Because now, more than ever, micro-donations matter."

ALISON HUTCHINSON, CEO of **PENNIES**
a UK-based fintech charity, that provides retailers, consumers and charities with micro-donations solutions that help causes and communities

"This year, we are very pleased to be part of the Merchant Service Hub launch with Ingenico, as this allows us to continue strengthening the payment industry in the region (Costa Rica & Panama). In addition, this is aligned with our strategy to solidify our market position, by providing our clients with state of the art and innovative technology solutions, to not only allow businesses to be more agile, but also adapt quicker to market demands and customer needs."

RODRIGO DEL CASTILLO, EVP of Payment Services LATAM,
at **EVERTEC INC.**,
a leading technology and electronic transaction company, based in Puerto Rico

A successful transformation strategy

B & A

"Being the most trusted technology partner in the new world of payment acceptance"

- Industrial & commercial redesign
- Worldwide leadership & scale
- Global reach and local know-how
- Market innovator with Android capacity

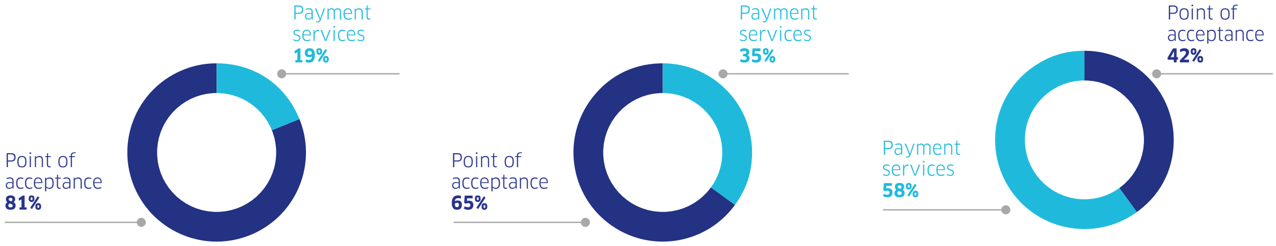
RETAIL

"Shaping the most customer focused payment experience in the new world of commerce"

- Strategic accelerators
- Dedicated growth initiatives
- Technology transformation
- Business optimization & synergies

An accelerated transformation

2007		2014			2019
Worldwide leader In the POS market	Ingenico provides a full set of instore payment services	Successful entry in the online payment market through domestic gateway	Enlarging online offer through X-border capability and collecting assets	Direct access to merchants expansion and full integration along the value chain through acquiring	Launch of new value added solutions (TaaS and PPaaS) for banks and acquirers



Our ambitions

- We provide end to end payment acceptance solutions
- We sell our solutions directly to merchants or through complementary partners willing to share value
- We are client centric solution provider offering a unique solution
- We focus on selected merchant verticals where we can build leading positions
- We drive our offering strategy towards services platforms and easy to integrate in the merchant environment

Our Priorities

Continue to implement the Fit for Growth plan to imrove our operating model efficiency

Capitalize on B&A success by developing new innovative solutions (TaaS and PPaaS)

Accelerate growth on Retail and deliver operating leverage

B & A

MATTHIEU DESTOT
EVP B&A

> **"A new chapter will open for B&A in 2020, and we have the talent, know-how, technology assets and customer knowledge to keep the momentum going and ultimately to succeed."**

In 2019, we wrote a crucial page in the B&A division's history. We have successfully reaped the full benefits of the execution of the "B&A revival" plan initiated at the beginning of the year, whilst delivering solid growth and performing beyond expectations, supported by the ramp-up of our Tetra devices and the internationalization of our Android terminals offer. In parallel, B&A has deployed a flexible Terminal as a Service (TaaS) solution, offering an additional full-suite of services to B&A customers.

A successful transformation

Upon my arrival in April 2019, which coincided with the announcement of Ingenico's new strategy and "Fit for Growth" transformation plan, the management team and I immediately defined and structured the B&A roadmap and our objectives for 2021. Importantly, this was done in conjunction with our teams, who are our most important asset and the ultimate driving force behind any successful transformation. We then, very quickly, launched all of the necessary projects to initiate our transformation phase. We implemented a Global account management team. We deployed our Android solutions worldwide, a key asset for the B&A business unit, a historical leader in Android terminals, supported by our new Android competence center in Vietnam, with record sales volumes. The industrial transformation that we initiated, and the rationalization of our industrial capacity in Vietnam and Brazil, helped us restore our profitability whilst delivering a record volume of terminals in 2019. We recorded solid growth in most of our regions, with particularly exceptional growth in Latin America, especially in Brazil, in Asia, especially in Indonesia and India, as well as in North America, with an acceleration during the second semester. The launch of our projects, driven by a clear strategy and vision, and above all, the fundamental transformation of our management culture, teams, talent and working methods, enabled us to achieve the successful renewal of B&A in 2019. We will continue to pursue this mission with the same determination in 2020.

Key milestones

This past year was marked by important successes, of which we are all very proud. We are particularly proud of the commitment of all of our B&A team members. Thanks to each of them, we were able to transform the business unit and reposition ourselves in the market, with double-digit growth in 2019 - an exceptional result after a difficult 2018 year. The transformation of B&A is a long-term challenge, and we would never have succeeded with this first step without the full support of everyone in the team. We have also initiated a fundamental repositioning of our business. Today, Ingenico is the undisputed leader in instore payment; but payment terminals will evolve, driven by new trends such as solutions like "Tap on Phone", new technologies like Android, and new use cases and market demands. There is growth potential there and we will continue to look for more ways to help our customers grow their businesses, and with this, create new sources of revenue. We are therefore also seizing the opportunity to take our transformation even further and provide our customers with a new digitalized commerce experience, based on a cloud-based payments acceptance platform open to our whole ecosystem; this is our "Payments Platform as a Service" (PPaaS) solution. We are therefore starting 2020 with a strong ambition.

Challenges ahead

In a rapidly changing environment, Ingenico is opening a new era in order to address the new market trends, to innovate and support all of our customers' needs. Banks, acquirers, but also now fintechs and ISVs, all expect us to guide them to take the best business decisions in the new world of payments. B&A's transformation requires that our payment acceptance model evolves, from a hardware-centric payment acceptance model towards a software and services-centric model, and, in the long-term, towards a recurring as-a-service revenue model, based on our cloud-based platform that will be open to our whole ecosystem. A new chapter will open for B&A in 2020, and we have the talent, know-how, technology assets and customer knowledge to keep the momentum going and ultimately to succeed.

RETAIL

GABRIEL DE MONTESSUS
EVP Retail

> "Harnessing new skills and new ideas, we will maintain the strong momentum of the Retail business unit in 2020."

2019 was a particularly positive year for the Retail business unit. We honored the promises of our strategic plan, set out in April, which were to accelerate the verticalization of our offerings, make a success of our strategic bets, and reallocate our cost structure. We accomplished all of this while maintaining an accelerated growth rate. The Retail teams demonstrated their commitment, and every one of our employees contributed to this excellent performance – the result of a collective effort – for which I thank them sincerely. Retail also welcomed new talent at all levels of the organization, and we look forward to harnessing the new skills and ideas they brought with them to maintain the strong momentum of our business unit in 2020.

Strategic plan

Having run Global Online – one of the Retail business lines – for a year and a half, I became head of the whole business unit in October 2019. The transition was carried out in a very natural way, ensuring that the strategy introduced by my predecessor, and which I myself oversaw at Global Online, was maintained. I have worked closely with the entire Executive Committee to continue this approach. The strategy is the result of a collegial and collective effort, around which all business lines – Global Online, Enterprise, and SMB – are completely aligned. We are fully pursuing the strategy presented at the beginning of 2019, which will continue to guide us in accelerating the growth of Retail in 2020. We are already seeing tangible, concrete results from this approach and we should commend ourselves for this.

Integrations

The integration of Payone was achieved in a robust and, most importantly, quick manner, which is key to the success of this type of alliance. The joint venture is now an integral part of Retail governance. Payone collaborates in a cross-functional manner with all business lines and this collaboration is already demonstrating its first synergies. Payone's leadership is also fully integrated with that of Ingenico. As regards Paymark, it had an excellent year in terms of performance, with equally well-integrated leadership teams and the arrival of both internal and external new talent. Paymark is fulfilling all our expectations for the Asia-Pacific region, which is a strategic region for the Group. Personally, I was particularly impressed by their innovation capabilities – a source of growth that will benefit all Retail business activities.

Our successes

I would like to revisit three success stories that left their mark on the Retail business unit in 2019. The first was achieved thanks to our teams and our diverse and multicultural talent pool. Our collective commitment was demonstrated in a very tangible way by a sharp rise in growth, an increasing NPS, an 80% participation rate in our internal PeopleIn campaign this year, and strong, unabating support at our internal events. We also have a cohesive, coordinated, and aligned leadership, which has itself benefited from the arrival of new talent. In addition, 2019 was a year marked by the strengthening of our long-term relationships with customers, who were largely in favor of our new solutions, and winning new contracts, particularly in the NAR and Asia-Pacific regions. We should congratulate ourselves on the trust that both our long-standing and newer customers place in us, but we must also strive to preserve this trust, using all our efforts, by keeping excellent customer relations at the forefront of our work. This year we successfully accomplished the roadmap that we had set ourselves, in a context of demanding transformation and integration. In 2020 – with the support of all my teams and with an unwavering commitment – I intend to pursue an ambitious Retail action plan to transform and adapt ourselves, across all our business activities and market sizes, while maintaining our promised results.

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HR has been a vital driver of Ingenico’s transformation and will continue to be crucial to our success in 2020.

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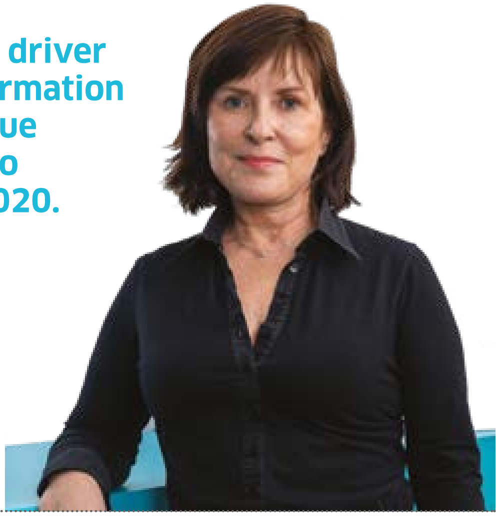


AGNÈS BENSOUSSAN
Director of Human Resources and Communication

How did HR help with the transformation of Ingenico Group this year?

2019 was a pivotal year for the human resources function, as the Group underwent a profound transformation. We have a new HR team, we recruited many talented people with expertise in key areas, who far better reflect the diversity of Ingenico Group, a world leader in its sector. Although the purpose of HR function is to support each of the Group’s employees, it is also to safeguard the organization as a whole. With a redesigned structure, enhanced business expertise and, in general, a better quality of service, HR teams have been a vital driver of Ingenico’s transformation, and will continue to be crucial to our success in 2020.

What were HR’s key initiatives in 2019?

2018 saw our strategy redesigned and 2019 was the year of structural change. We managed to reduce the rate of staff turnover and at the same time, we increased employee engagement by getting all our teams involved with our internal satisfaction survey. In January, we rolled out our new HR IT systems. We also launched a new performance monitoring system and a new bonus policy, to more accurately reflect the performance of the Group as a whole, and align it with the Group’s shared objectives, whether these are financial, CSR-related or linked to customer satisfaction. Lastly, there was the extensive roll-out of our new leadership model, which focuses on five key behaviors: think customer, focus forward, inspire, team-up and drive. We organized several workshops to disseminate this model and to cultivate teamwork at all levels of the organization, with the full support of the Executive Committee.

What outcomes have you drawn from the People IN! employee survey?

The People IN! survey was launched in 2018. In 2019, we therefore had a year’s hindsight to help us ask the right questions and to better measure employee satisfaction. This year’s survey was a success, with a higher rate of involvement among teams and across the whole management. The commitment of all our teams to our business plan is a priority, as is their well-being and satisfaction. In 2020, we will continue our efforts in this regard.

What initiatives have you put in place to promote diversity within the Group?

Our Group has a very strong international footprint, with almost 9,000 employees in 46 countries. Several Ingenico’s core activities headquarters are based abroad: Global Online in The Netherlands, Payone joint-venture in Germany, SMB in Sweden, B&A in Singapore. We are committed to have this diversity reflected in our leadership positions. Today, 60% of the Group’s leadership positions are held by non-French collaborators. In 2019, we also made progress on gender equality. In a highly technological business sector, where there are traditionally more men than women, our management teams reflect this diversity – 40% of our Executive Committee is female – but we still have room for improvement in order to replicate this in managerial positions. We have set ourselves the goal of increasing the proportion of women in these posts to 30% by 2023. To achieve this, we have drawn up a plan that relies, in particular, on a more proactive recruitment policy.

“We focus on the trends that will have a profound effect on established models, not only in terms of technology, but also particularly when it comes to usage and business models.”

ingenico LABS

MICHEL LÉGER
Executive Vice President Innovation

What part does innovation play in the transformation of Ingenico Group?

We see innovation as the point at which three forces intersect: changes in consumer behavior, the breakthroughs brought about by new technologies and regulatory issues. In summary: our customers and consumers tell us what we should do; technology tells us what we can do; and regulators tell us what we have the right to do. We take these three forces into account in the way we perceive innovation at Ingenico Group. Regarding transformation, above all, we focus on disruptive innovation, i.e. on the trends that, within the next three to five years, will have a major impact on our activities and a profound effect on established societal models, not only in terms of technology, but also particularly when it comes to usage and business models. We firmly believe that, to be consistent, we must both meet our customers' needs and, mainly, anticipate them. This requires an in-depth analysis of human behavior. Building on our presence throughout the ecosystem of technological innovation, we also connect our customers with startups, charities and partners, in order to offer them the best available solutions within our ecosystem. This strong commitment means that we can support them in their transformation and, more broadly, galvanize the transformation of Ingenico Group as a whole.

What has been the role of Ingenico Labs since it was launched in 2015? What were its key initiatives in 2019?

Built around a team of experts in marketing, technology and research, Ingenico Labs is the Group's center of excellence for innovation and the identification of emerging trends, both among our merchants and our end consumers. The purpose of this think-tank is to test their hopes and expectations, and then to identify and collaborate to develop the technologies that best suit their needs. Among the major trends we are currently looking at, we are working on a number of mobile payment services, such as “ Pin on Mobile ” and “ Tap to phone ” and on issues around voice-commerce and social commerce (chatbots), which are already very tangibly transforming the world of commerce today and the ways in which we make payments. Moving forward, it will be invisible payment and facial recognition solutions that will shape the payments of the future, supporting the transformation of the future of retail. We conduct our mission without ever sacrificing security, which remains the number one issue for all our stakeholders, across all generations, in order to maintain an environment of trust, that is crucial to our ecosystem. Every day, we keep reinventing new security technologies to support these profound transformations.

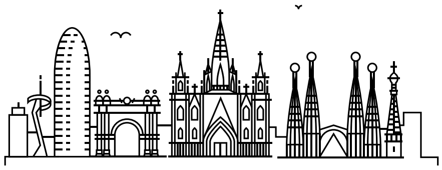
How do you work with your customers to understand the trends that will shape the payments industry of the future?

Our work revolves around three key stages. We start with the idea phase, during which we decipher trends and share ideas with our customers. We then move into the “proof of concept” phase, which allows us to consider, in very concrete terms, whether the idea we have developed is interesting for the market, to determine if it works for our customers and to propose, whether it has industrial potential, the most mature technologies and appropriate business models. Once this stage has been successfully completed, we then work hand-in-hand with our business lines, Retail and B&A, to transform the project into an Ingenico industrialized solution that we can offer to all market players and in all geographies. We work closely with our customers in the idea phase, but above all when we are at the stage of conducting tests under real conditions. At all these stages, co-construction and collaboration are essential aspects of a successful pathway to innovation.

Integration of Payone & Paymark

In January 2019, Ingenico announced the closing of two strategic transactions carried-out in 2018: the acquisition of Paymark in New-Zealand, and the joint-venture with Payone, a subsidiary of the German Savings Banks (Sparkassen-Finanzgruppe). Paymark and Payone are now fully integrated into the Group. With Paymark, Ingenico is well positioned in the Pacific region, to deploy the full suite of its offer to retailers and financial institutions, while offering high added-value and cutting-edge innovation services, i.e. with its facial recognition solution. In Germany, the successful partnership with Payone is a key differentiating asset for Ingenico in a DACH region still fuelled by the secular shift towards electronic payments.

Ingenico, a key player of the innovation ecosystem



In 2019, Ingenico joined forces with CaixaBank and Global Payments to launch ***zone*2boost**, an international innovation programme for start-ups, to promote the creation of innovative solutions in the retail and fintech sectors. Based in Barcelona, this ambitious programme will focus on these companies' tech initiatives while supporting their growth. With ***zone*2boost**, Ingenico reinforces its position as a privileged partner of the tech ecosystem worldwide.

Launch of full suite of Chinese payment methods

Ingenico is transforming how international ecommerce companies operate in China. In 2019, the Group has introduced a suite of payment methods that fully caters to the preferences of local consumers. As 82% of the local Chinese population are unique mobile users, Ingenico has partnered with leading mobile payment platforms, Alipay and WeChat Pay, as well as with local card scheme UnionPay. Ingenico will enable online businesses to gain better access to one of the world's most significant online markets.

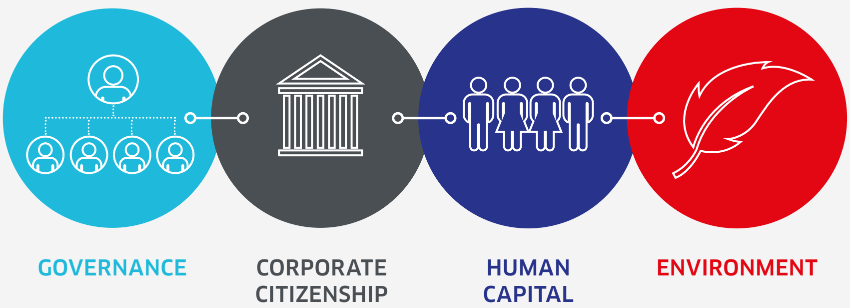
Launch of a new range of services on payment terminals

In 2019, Ingenico has initiated a flexible Terminal as a Service (TaaS) solution, offering an added full suite of services to B&A customers. This new solution fits perfectly with the need to transform an installed base of payment acceptance device by creating a new digitalized commerce experience.

A new CSR programme "SHARE"

Committed for many years to promoting a more responsible development, Ingenico - the global leader in seamless payments - plans to step up its efforts and launches "SHARE", a five-year CSR programme based on tangible goals. This programme follows on from the measures already initiated by the Group in 2015 and is based around four key focuses: governance, corporate citizenship, human capital and environment. The aim of the programme is to address the key issues that Ingenico has identified in the payment sector, whether these are social, economic or environmental.

SHARE
OUR 5-YEAR PROGRAMME
FOR SUSTAINABLE PERFORMANCE

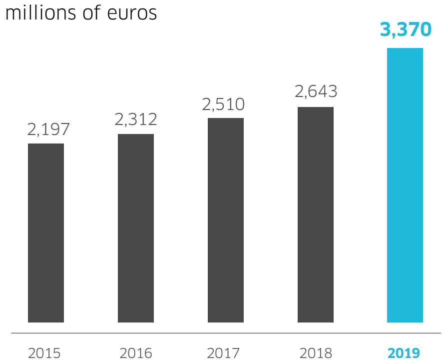


2019 was a year of deep transformation and of acceleration for Ingenico, both from an operational and financial standpoint. The Group was able to build on quality assets and benefit from the actions undertaken as part of the Fit for Growth plan. This plan, initiated in 2019, puts Ingenico on track to reach its ambition for 2021.

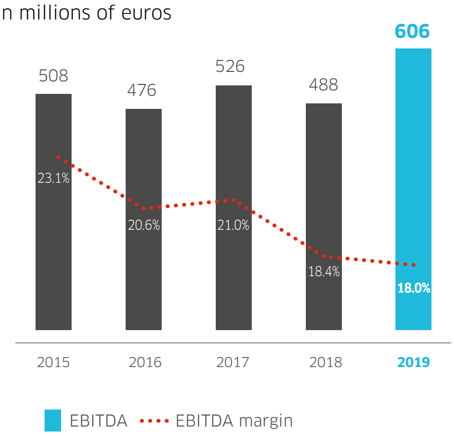
"In 2019, we have implemented and completed the first steps of the Fit for Growth plan, resulting in increased flexibility, greater agility and a more efficient organization. Retail has accelerated its growth profile while providing operational leverage, and B&A was successfully repositioned and has thus restored its competitive edge. The Group has also maintained a strict financial discipline which allowed it to reach strong levels of EBITDA and cash generation."

MICHEL-ALAIN PROCH
Chief Financial Officer

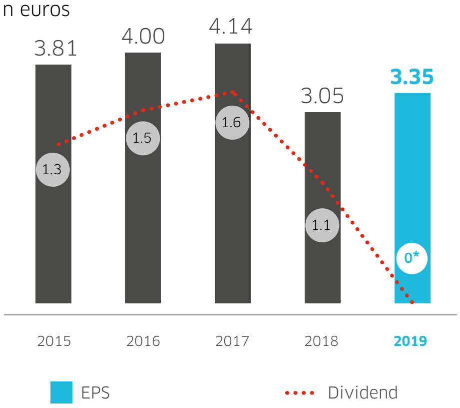
REVENUE EVOLUTION
In millions of euros



EBITDA (1)
In millions of euros



NET PROFIT AND DIVIDEND PER SHARE
In euros



** On account of the Covid-19 crisis, the Board of Directors has decided, on an exceptional basis, to submit a resolution to the Annual General Shareholders' Meeting of June 11, 2020 to not distribute a dividend for 2019.*

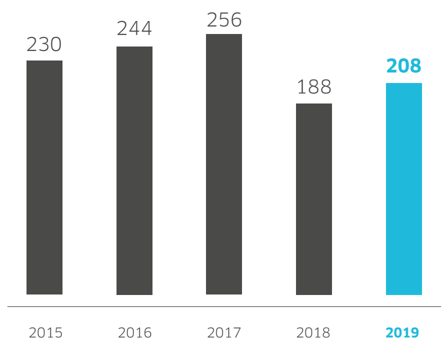
€3,370M	€606M
REVENUE	**EBITDA (1)**

(1) As defined on page 160 of this document.

B&A	RETAIL
€1,451M Revenue	€1,919M Revenue
€305M EBITDA (1)	€301M EBITDA (1)

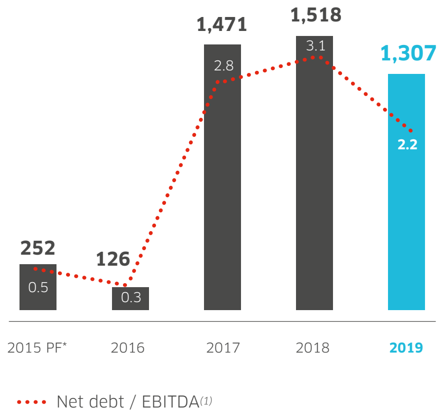
NET PROFIT, ATTRIBUTABLE TO SHAREHOLDERS

In millions of euros



NET DEBT

In millions of euros



** Including GlobalCollect's contribution over the entire year.*

€208M
NET PROFIT GROUP SHARE

€310M
FREE CASH FLOW

CORPORATE SOCIAL RESPONSIBILITY

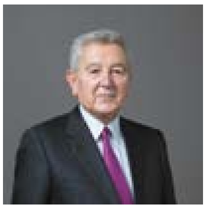
CSR Performance
rewarded by the maintenance of Ecovadis Gold standard

19.5 million
donations collected trough our payment solutions which represent €173.4 M

40%
of women on the Executive Comittee

377.9 tons
of end-of-life terminals collected trough our recycling program for end-of-life terminals offered to our clients in 81% of countries where the Group is present

Board of Directors



BERNARD BOURIGEAUD
Chairman

NICOLAS HUSS
Chief Executive Officer

AGNÈS AUDIER
Independent Director

DIAA ELYAACOUBI
Independent Director

ARNAUD LUCIEN
Director representing employees

XAVIER MORENO
Independent Director

CAROLINE PAROT
Independent Director

NAZAN SOMER OZELGIN
Independent Director

THIERRY SOMMELET
Independent Director

SOPHIE STABILE
Independent Director

MICHAEL STOLLARZ
Director

ÉLIE VANNIER
Independent Director

WILLIAM NAHUM
Independant advisor

12
DIRECTORS
including 1 Director representing employees

1 INDEPENDENT ADVISOR

13
MEETINGS
of the Board of Directors in 2018

73%
Independence rate

89,5%
Average attendance rate of directors at Board meetings

3
SPECIALIZED COMMITTEES
predominantly consisting of independent directors

Audit and Finance Committee
7 meetings in 2018
Attendance rate of 100%

Compensation, Appointments and Governance Committee
7 meetings in 2018
Attendance rate of 78%

Strategic Committee
7 meetings in 2018
Attendance rate of 90%

Executive Commitee

NICOLAS HUSS
Chief Executive Officer

MICHEL-ALAIN PROCH
Chief Financial Officer

AGNÈS BENSOUSSAN
EVP
Human Resources & Communications

STÉPHANIE FOUGOU
Group General Counsel

PAULA FELSTEAD
Chief Technology Officer

GABRIEL DE MONTESSUS
EVP Retail

MATTHIEU DESTOT
EVP B&A

NIKLAUS SANTSCHI
Chief Executive Officer PAYONE

ÉGLANTINE DELMAS
EVP Audit, Risks & Compliance

JACQUES GUÉRIN
EVP Strategy & Transformation

1

PRESENTATION OF THE GROUP

1.1 ACTIVITY & STRATEGY

1.1.1 Ingenico Group, global leader in seamless payment services

Founded in 1980 by Jean-Jacques Poutrel and Michel Malhouitre, Ingenico Group offers secure payment services across all sales channels. The global leader in seamless payment services, the Group keeps in step with the future of commerce by relying on the largest acceptance network in the world, with solutions that adapt to both the local needs and international ambitions of its customers.

As a result of the merger with SagemMonetel in March 2008 and entry into the Chinese market with the acquisition of Landi in June 2008, Ingenico Group became the leader in the payment terminals market, which is worth an estimated €4.5 billion worldwide in 2018. Since then, the Group has continued to expand the geographical presence of its traditional business by enlarging its commercial network, in particular through acquisitions of distributors in emerging markets, such as in Japan, Russia, Ukraine and Taiwan.

In 2008, the Group decided to build on its market-leading position and address merchants' changing needs by expanding its offering, in order to cover the whole of the payment value chain, irrespective of the sales channel. Ingenico Group began laying the groundwork for this expansion by acquiring easycash, a leading German in-store payment services provider. Then, in 2012, the Group strengthened its position in mPOS solutions through the takeover of Roam Data Inc. With the acquisition in 2013 of Ogone, a European player in online payment services, followed by that of Global Collect, a global supplier of fully integrated online payment services, in 2014, the Group accelerated the transformation of its business model towards payment services on a global scale, simplifying payment for merchants across all channels: in-store, online, and mobile. In 2017, Ingenico Group took a major step forward in progressing its strategy with the acquisition of Bambora, a fast-growing payment services company, meaning the Group can interact directly with small and medium-sized European merchants and offer a full range of services, including acquiring transactions.

In 2018, in order to expand its offering in the German market and continue its strategy of direct access to merchants, the Group decided to combine its Retail business in Germany, Switzerland and Austria with BS Payone, a German company serving more than 250,000 merchants and the country's second largest international payment methods acquirer. This joint venture, which was consolidated in January 2019, enjoys a unique position in the region, with a combined processing volume of €86 billion, and almost 350,000 payment terminals. Lastly, the Group has recently added to its range of transactional services with the purchase of Paymark, a New Zealand company that provides a network of redirection to card issuers (switch-type), enabling merchants to accept a wide range of card payments. This transaction means that Ingenico Group can now offer a comprehensive range of omnichannel services in the Pacific region.

Today, the Group, global leader in seamless payment services, boasts a network of over 1,000 banks and acquirers, a presence in 170 countries, and acceptance of more than 300 payment methods, with more than 550,000 merchants connected to its platforms.

Ingenico Group has established a customer-focused organizational structure by creating two Business Units, B&A (indirect) and Retail (direct).

1.1.2 A comprehensive payment services offering across all channels

At a time when consumers are constantly switching between sales channels in order to find the right product at the right price, merchants need flexible payment services to offer the best purchase experience. Payment channels are becoming increasingly interconnected and complex and, as a result, require new expertise. The payment environment is therefore also becoming more complex, with more methods of payment and points of interaction between merchants and consumers (in-store, online and mobile).

In this complex ecosystem, the Group's combined expertise in payment terminals, the management of in-store transactions, and online payment services, allows it to provide a comprehensive global offering – a key differentiating factor.

1.1.2.1 In-store

Ingenico Group offers all its customers (banks, merchants and payment service providers) comprehensive, secure, centralized management of their electronic payments (acceptance, transactions and services), so that they can optimize payment system operating costs, efficiently manage payment flows, address ever-tightening security requirements, and generate new revenue streams. The Group is responsible for the end-to-end security, control, and surveillance of the entire payment process.

Ingenico Group therefore promotes centralized transaction flow management to ensure optimal service quality and integrity from payment terminal to acquirer.

A pioneer in the payment terminals industry for nearly 40 years, Ingenico Group offers applications and secure solutions based on a unique proprietary operating system called Telium as well as solutions on Android for merchants of all types and sizes. The Group provides its customers with a broad portfolio of 2,500 applications and accepts more than 300 payment methods.

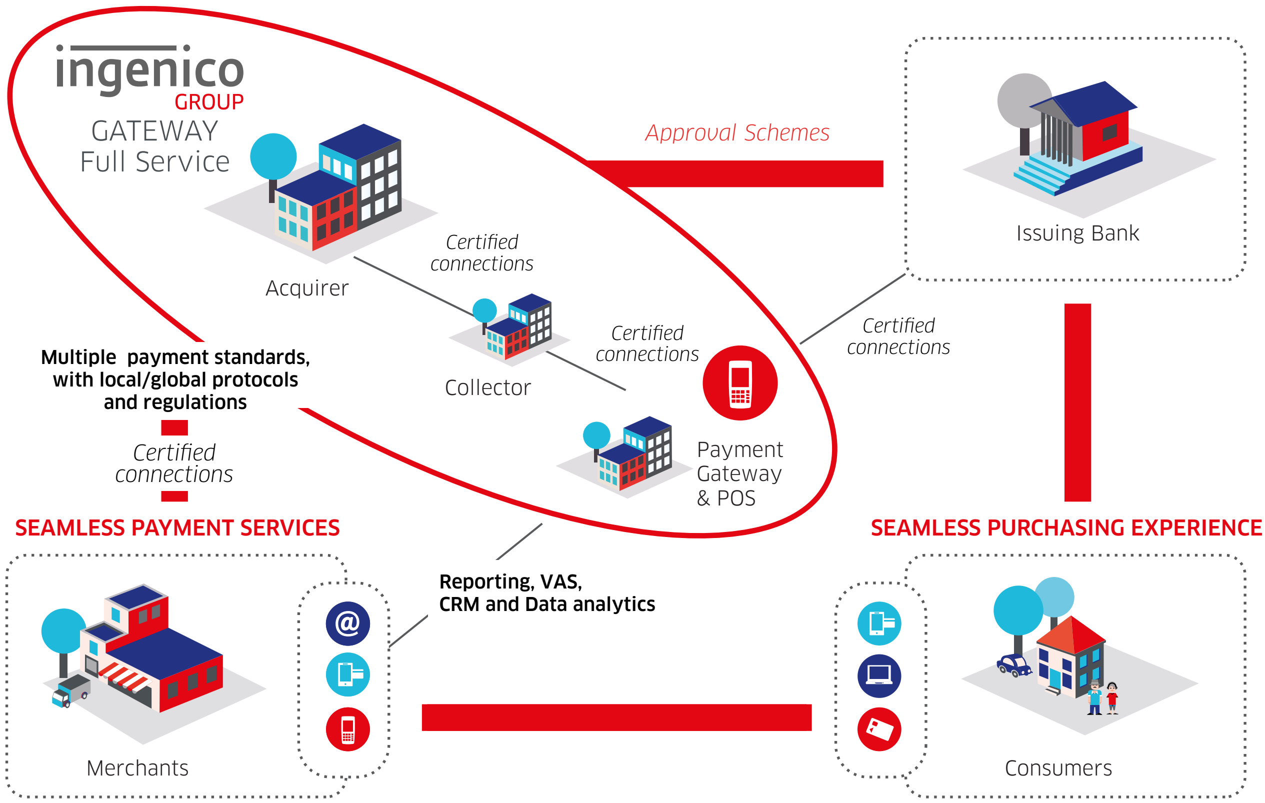
Ingenico Group's in-store solutions revolve around the following services:

- payment terminals and applications;
- the management of installed terminals, including security application updates;
- connectivity, ensuring the terminal-to-bank host connection;
- comprehensive, 24/7 after-sales service supporting every phase in the life cycle of terminals and software, from installation to upgrades and maintenance;
- centralization of transactions (Axis);
- end-to-end security – from terminal to bank or processor; and
- value-added services.

What differentiates the Group is its ability to meet its banking, retail and small and medium-sized merchant customers' need for optimized, cross-border and international solutions through its presence in many countries, and its payment service offering supported by the payment services expertise offered by easycash, Axis, Bambora and BS Payone, and its PCI DSS-certified international platform.

In addition, the Group also has a full range of customer loyalty solutions that aim to increase merchants' revenues, including: loyalty card and loyalty program management, prepaid card and gift card management, customer data analysis and marketing campaign management. These marketing solutions are available in eight European countries and are being used to manage over 140 card programs.

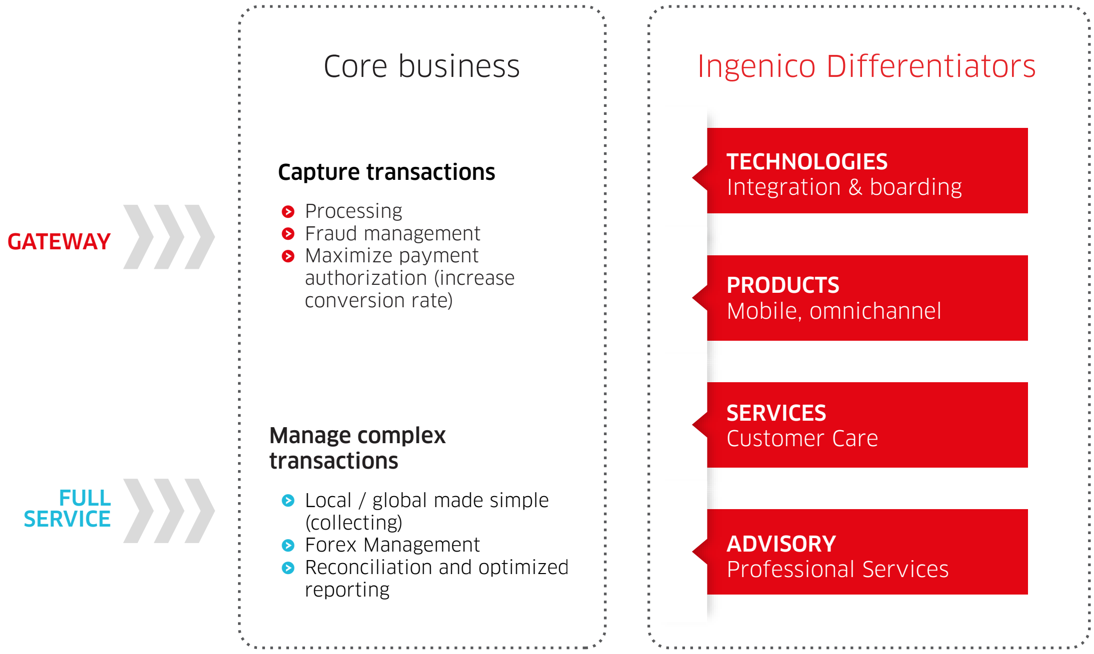
Ingenico Group / at the center of the payment process



1.1.2.2 Online

While the Internet is by definition borderless, global e-commerce is by no means uniform: many factors determine the success or failure of cross-border trade. The different regulatory environments, Internet access, consumer preferences and local payment methods contribute to the complexity of international commerce. Thanks to Ingenico Group's online offering, which combines Ingenico eCommerce Solutions, Global Collect, TechProcess and Bambora's online assets, the Group offers e-payment services to merchants of all sizes.

The online offering



Online payment services for small and medium-sized merchants

With more than 150 international and local payment methods, the Group's online payment services allow merchants to manage and secure their online payment processes and digital transactions. Accessible online or *via* a mobile device, these services enable prompt, secure acceptance of any form of payment: as such, merchants can increase their sales, reach more consumers, and protect their businesses from online fraud.

Ingenico Group works directly with large merchants, as well as with banks, acquirers, and payment institutions. It also offers white-label solutions such as those provided for Barclaycard and BNP Paribas.

The Group's online offering revolves around three services:

- transaction capture (gateway):
  - processing online transactions,
  - offering an advanced fraud management system,
  - maximizing payment authorizations;
- complex transaction management (full service):
  - processing cross-border transactions,
  - collection and FX conversion services,
  - integrated reporting;
- acquiring transactions (acquiring):
  - rapid platform integration,
  - maximizing conversion rates,
  - comprehensive end-to-end offering.

Comprehensive payment services for large multinational companies

Ingenico Group now offers comprehensive payment services for large multinational companies and companies with a strong digital presence looking to expand into new regions. The offering of outsourced payment services removes complexity with a single commercial and technical interface that takes care of risk management, FX management, settlement of funds against approved orders, reporting and remittance of collected funds.

With a presence in 170 countries and boasting acceptance of 150 local payment methods, Ingenico Group has developed recognized expertise in payment services, especially in cross-border e-commerce, enabling major brands to sell their products online and worldwide.

1.1.2.3 Mobile payments

By accepting payments anywhere in a store, pop-up store or on board a plane, merchants with mobile payment services can adapt to mobile consumers and ensure their loyalty. Ingenico Group has developed a white-label mobile platform that enables customers of any size to offer secure mPOS solutions quickly, easily and at lower cost. This wide range of mobile payment services meets the specific needs of all types of merchant, including the world's largest brands, such as the iSMP deployed in Apple Stores. At the same time, white-label solutions let acquirers, processors and telecoms operators offer mobile services to smaller merchants. Ingenico Group's offering revolves around the following services:

- mobile payment terminals for all markets (Chip & PIN, Swipe & Sign, PIN on Glass, etc.);
- mobile applications for the merchant;
- security management;
- third platform interface;
- mobile payment gateway (connecting payment and pre-processing);
- fleet management;
- loyalty programs.

1.1.2.4 A comprehensive offering to easily address merchants' concerns

An integrated position throughout the entire payment value chain

Ingenico Group's recent acquisitions have helped to position the Group across the entire payment value chain. Historically speaking, the Group has been a major player in the sale of terminals, and so it has gradually diversified into payment services and is now able to offer its customers a full range of services. The Group's offerings start at the point of interaction (terminal or online platform) and extend as far as merchant acquiring, including transaction management, the provision of terminals and value-added services that enable the merchants to increase their commercial and management performance.

This integration of the payment value chain therefore means that Ingenico Group can now offer its customers turnkey solutions with clear pricing, while reducing the number of contracts and suppliers to just one, thereby simplifying the management of the merchant's e-payment requirements. This simplification and single point of contact now makes it possible for Ingenico Group to interact directly with most merchants, of all sizes.

Omnichannel

The Group's multichannel offering is enabled by its combination of expertise across a variety of services and solutions: terminals, in-store transaction management, transaction processing, online payment services, and mobile payment solutions.

Moreover, the consumer purchasing journey is becoming increasingly diverse; the different stages of a single purchase can take place on several sales channels. Thus, the number of interactions between consumers and merchants is growing, with these interactions crossing from one sales channel to another. Equipped with its expertise and solutions for each sales channel, the Group is also able to offer merchants omnichannel payment services, further improving the fluidity, speed, and ease of the shopping experience for consumers.

Ingenico Group's business model, which has evolved as the Group has developed, incorporates an ambition to create value for all its stakeholders.

CAPITAL

HUMAN
- **8,869** employees
- **95** nationalities
- **31.6%** women
- **Classroom-based** and e-learning **training programs**

NATURAL
- Electricity 18,005.1 MWh(1)
- Natural gas (5,485.5 MWh(1))
- Water (100.7 m^3(1))
- Renewable energies (8%(1))
- Minerals

INTELLECTUAL
- **7.8%** of revenue devoted to R&D in 2019
- A dedicated **innovation** team
- **Partnerships** with players in the digital world
- Collaboration with **start-ups** and **business incubators**

SOCIAL
- Development of **financial transparency**
- **Development** of financial inclusion
- **Technical expertise** for fundraising

MANUFACTURING
- **176 sites** worldwide
- **Fabless** model (outsourced production)

TECHNICAL
- **36** data centers(1)
- Acquisition platforms and licenses

FINANCIAL
- **€3,370 million** in revenue in 2019
- **€606 million** EBITDA in 2019
- **€310 million** free cash flow in 2019

(1) *Data only for Ingenico Group.*

OUR

AMBITION

TO PROVIDE OUR CUSTOMERS AND PARTNERS WITH THE MOST INNOVATIVE AND RELIABLE PAYMENT SERVICES

OFFER

Terminals

Terminals	Services
• #1 player globally	• #1 player globally
Terminal Sale	Subscription

CUSTOMERS

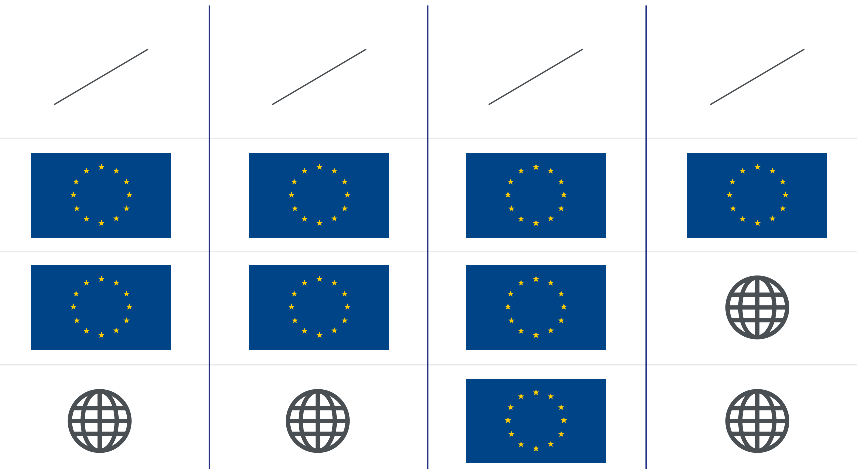
- BANKS & ACQUIRERS
- SMB
- ENTERPRISE
- ONLINE

BUSINESS MODEL

IN ORDER TO GENERATE ETHICAL, INCLUSIVE AND TRANSPARENT GROWTH

Payment Services

Transaction "Gateway"	Collecting	Acquiring	Value-adde services
• In-store (Europe) & online (global)	• In-store (Europe) & online (global)	• Selected European countries	• Presence in loyalty,fraud, FX and data analytics services
Subscription and/or fixed commission per transaction	**% of transaction in value**	**% of transaction in value**	**Subscription + commission per transaction**



(2) Employee Net Promoter Score, excluding Landi and Bambora.
(3) Measured value for a Desk3200 terminal (compared to iCT220).
(4) Including €33,4 M for Ingenico's Group shareholder and €0,8 M to minority shareholder.

IMPACTS FOR STAKEHOLDERS

HUMAN
- **€512.6 million** in gross wages and salaries in 2019
- eNPS of **-8.6**[(2)]
- **16 hours** of training per employee in 2019
- **56,232 hours** on average of training via e-learning

NATURAL
- **26 tons** of CO_2e offset and **91 tons** of CO_2e avoided thanks to recycling in 2019
- **377.9 tons** of end-of-life terminals collected and processed in 2019
- **27%** improvement in terminal **energy efficiency**[(3)]

INTELLECTUAL
- **1,414** patents issued
- **2,500+** payment applications
- New solutions developed through partnerships
- Software licenses

SOCIAL
- Creation of microenterprises, more accessible and affordable financial services
- **€173.4 million** collected for charitable organizations via our solutions in 2019

MANUFACTURING
- **15.6 million** terminals produced in 2019

TECHNICAL
- **1.5 billion** online transactions processed in 2019
- **10.5 billion** in-store transactions processed in 2019
- **2.1 billion** transactions acquired in 2019

FINANCIAL
- **€34.2 million** [(4)] in cash dividends distributed to shareholders in 2019
- **10%** organic growth in 2019
- **11%** reported growth in 2019
- **21.3%** per year of the Total Shareholder Return over the last ten years

1.1.3 A global presence

1.1.3.1 Multi-local solutions

Payment processes are based on national protocols as well as variable local parameters such as the percentage of the population who bank, the quality of telecommunications infrastructure, the number and type of credit and debit cards in circulation, growth of organized retail, etc. It is therefore essential for the Group to develop a standard, generic offering that can be tailored to national specificities.

Accordingly, Ingenico Group has a strong presence throughout the world, across five continents and in 170 countries. This multi-local approach is a major differentiating factor: it allows the Group to work very closely with an extensive network of local partners, providing the most appropriate expertise, solutions, and services for their markets.

Finally, this international expertise enables the Group to support its customers in implementing cross-border solutions, by leveraging its global management systems.

1.1.3.2 A global organization and a strong regional presence

At the end of 2019, Ingenico Group employed some 9,000 people worldwide.

As well as creating two Business Units to focus on its customers' needs, the Group also takes a geographical approach to address the challenges of an international company and to bring it closer to the developments and specific features of each region in which the Group has a presence. The Group is structured around four geographical areas:

- North America;
- Latin America;
- Asia-Pacific;
- Europe, Middle East & Africa.

1.1.3.3 Outsourced production

Since 2006, Ingenico Group's business has been based on a "fabless" model, with the manufacturing of terminals fully outsourced (except for the Chinese market) to top-tier industry partners: the Group currently works with one of the world's five largest electronic sub-assembly subcontractors, Jabil. The Group conducts regular, stringent audits of the plants, *via* Ingenico employees present on site who carry out audits that cover, among other aspects, social data.

Ingenico Group is constantly striving to streamline its manufacturing process: today most plants are located in Asia (global market) and Brazil (local market). This manufacturing flexibility enables the Group to increase or decrease production to meet demand and to ensure an effective procurement policy.

1.1.4 Payment: a competitive market

1.1.4.1 In-store

A concentrated payment terminal market

Market consolidation

The payment terminal market has been consolidated in recent years, mainly through the following major business deals:

- Verifone's buyout of Lipman in April 2006;
- Ingenico and SagemMonetel's merger in March 2008;
- Hypercom's buyout of the Thales e-Transactions unit in April 2008;
- Verifone's buyout of Gemalto's payment terminal business in December 2010;
- Verifone's buyout of Hypercom's business (excluding the US, Spain and the UK) in August 2011.

Following these transactions, the market is consolidated around two key players. Nevertheless, for two years, the Group faces competition from Chinese players as Pax.

In 2019, Ingenico Group consolidated its leading position, with an estimated market share of 37%[1] of the payment terminals market and over 35 million terminals installed worldwide in 2019.

High barriers to entry

Ingenico Group operates in a local and global ecosystem: its payment terminals and secure transaction systems must not only be certified to meet global standards – mainly those defined by the Payment Council Industry – but must also obtain the mandatory local certifications for the various applications used in each country.

In addition to these regulatory constraints, other obstacles include regional differences regarding payment customs and specific demands among banks/acquirers in terms of applications.

A very broad portfolio of payment applications is certified on Ingenico Terminals which is a very significant asset for Ingenico Group (roughly 1,400 are provided by Ingenico, the others being developed by partners and customers).

Mobile payment services market expanding the traditional market

The development of intelligent mobile platforms (smartphones and tablets) has led to the emergence of new suppliers of solutions (such as SumUp, iZettle and Square in North America). These suppliers' solutions enable payment transactions *via* smartphones and tablets, targeting what, until now, was essentially an underdeveloped market consisting of self-employed entrepreneurs, pop-up retailers, mobile business owners and artisans.

(1) Market share calculated based on the number of terminals delivered in 2019.

The solutions currently available are not always in line with global and local regulatory requirements, especially in relation to security. Nevertheless, these new methods of payment have revitalized the electronic payment market and provided a boost to the micro-business sector for which the Group provides solutions through its Mobile Solutions offering.

A local and fragmented payment processing market

The in-store electronic payment processing market is a key market, but it is local, fragmented, and has strict barriers to entry. Indeed, each country has its own payment protocols and applications, every type of merchant has different needs and consumers also have different payment habits (for instance: local credit cards or debit cards). In addition, payment processing is generally integrated into a global IT infrastructure and requires specific developments.

Many local players coexist, such as Nets or Point (Verifone) for small merchants in the Nordic countries, Worldline in France and Logic Group in the UK for the largest retailers, in parallel with Ingenico Group's presence in the Nordic countries (Bambora), in France (Axis) and in Germany (Payone).

With regulatory changes and the implementation of the European payment market (SEPA), large retailers need to standardize and manage their card payments based on European standards. Consequently, it is increasingly important for a payment platform to be able to manage cross-border transactions.

The size of this market is increasing around the world as the electronic payment industry matures, and it is driven by two main pillars: the development of electronic transactions in emerging countries and the expansion of payment infrastructure outsourcing in more mature countries. This phenomenon is fostered by the growing complexity of the payment ecosystem and increasing security requirements, which are pushing customers to work more and more with suppliers like Ingenico Group.

1.1.4.2 Online payment, a growing market

The strong organic growth registered by the online payment processing market is related to the expansion in e-commerce.

The online payment market is also local and fragmented, for the same reasons as the in-store payment market, as described above. Whether it is the gateways or full service segment, markets in which Ingenico Group is positioned, they are driven by purchases from mobile phones and digital tablets, which already account for more than 50% of online retail transactions and whose growth already exceeds that of traditional e-commerce. To meet this growing consumer need, the Group has developed a unique solution called "Ingenico Connect". In addition to offering a wide range of local payment methods, Ingenico Connect offers new APIs for an optimal payment experience on any device.

Finally, although the online payment market is still very fragmented, some global players have emerged in recent years, such as WorldPay, Wirecard, Adyen, and Ingenico Group.

1.1.4.3 Unique omnichannel payment services

The interaction of all three payment channels (in-store, online, and mobile) is now a key challenge for all merchants, regardless of their size.

Currently, there are very few omnichannel solutions. Indeed, few players from the physical world are present in the online payments market, while few online payment players have a presence in the physical market. When this offering exists, it tends to be limited to a very small number of countries.

Thanks to its historical expertise in in-store electronic payments and its acquisitions in online payment, Ingenico Group is very well positioned to meet these new challenges.

1.1.5 Group strategy

On April 24, 2019, the Group held a Capital Market Day, during which its medium-term strategic plan and outlook, as well as its financial targets for 2021, were presented. They are covered in pages 12 and 13 and in Chapter 4.2 of this registration document.

The press release and the presentation are available on the website of the Company: www.ingenico.com.

1.1.5.1 Ingenico Group's strategy in a fast-changing environment

The electronic payments market is constantly evolving as consumer usage grows and commercial needs multiply. At the same time, the complexity of e-payments is increasing as it expands geographically, and sales channels proliferate. Consequently, in-store acceptance methods are a key element of the value proposition. They are now part of a broader set of solutions answering various merchants' needs. The value, therefore, extends beyond simple payment acceptance to business solutions that lie at the very heart of the points of interaction with consumers, and which are growing in number (cash desks, mobile merchants, vending machines, etc.). In this climate, Ingenico Group is gradually developing its offers from being simply a supplier of payment acceptance points to a partner who makes it possible for merchants to improve their activity.

The Group's growth in recent years has been organic, through numerous acquisitions that have enabled it to combine the right assets and skills to be able to offer the solutions, products and services to make customer experience easier. The Group has enhanced its offering with transactional services such as acquiring, a full online service, or the processing of in-store or online transactions, to offer comprehensive, integrated payment services.

1.1.5.2 A customer-focused structure to provide value across all distribution channels

Today, the business landscape is deeply enduring, with in particular the rapid growth in the use of mobile devices and e-commerce, a multiplication of acceptance points and a multiplicity of payment methods used. Ingenico Group supports merchants, directly or indirectly through acquirers, financial institutions or intermediaries, by enabling their customers to pay using today's or tomorrow's technologies. With over 550,000 merchants connected to its platforms (in-store and online), Ingenico Group optimizes payment services for all merchants, whatever the challenges they face.

Ingenico Group positions itself in the center of the merchant-consumer relationship as a facilitator for the development of payment acceptance solutions, building new sources of revenue for merchants, while also ensuring a personalized, seamless and differentiated customer experience.

The Group also directly or indirectly serves many vertical market segments, with dedicated solutions to meet their specific needs:

- transportation: travel agencies, ticketing kiosks, parking lot, etc.;
- petroleum: self-service pumps and stores at service stations;
- digital: digital products and services (music, cinema, social networks, etc.);
- hotels and restaurants;
- automated distribution.

By establishing partnerships with newcomers to the payment services market, Ingenico Group demonstrates its ability to develop cutting-edge innovations and new payment methods. The most innovative companies (Apple, Google, PayPal, Samsung, Intel, etc.) work in partnership with Ingenico Group to design and develop new and ever more ground-breaking customer experiences by leveraging the Group's vast acceptance network.

The Group's customer-focused organizational structure helps to address the requirements of all merchants, from small and medium-sized retailers to major organized distributors through digital players. This structure also allows the Group to address merchants' requirements indirectly through the B&A Business Unit and directly through the Retail Business Unit.

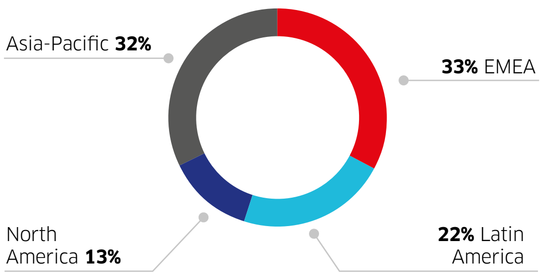
B&A (Indirect)

Allowing partners to differentiate through innovation and value-added services

2019 FIGURES

- **€1,451m revenues**
- **€305m EBITDA**

Revenues by geographies (%)



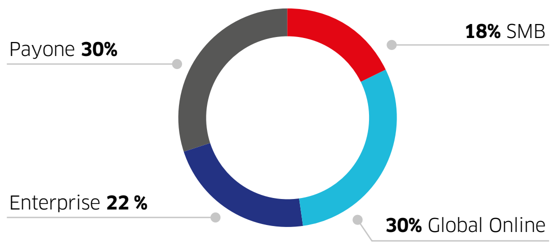
Retail (Direct)

Delivering value directly to all merchant segments

2019 FIGURES

- **€1,919m revenues**
- **€301m EBITDA**

Revenues by business line (%)



B&A: allowing our partners to differentiate themselves through innovation and our value-added services

Banks and acquirers are companies that manage payment service contracts with small and medium-sized merchants: banks, acquirers, telephone operators, processors, and solutions distributors.

Ingenico Group has therefore created a Business Unit to address the specific requirements of this indirect distribution channel. The B&A offering allows our partners to offer merchants secure payment solutions and services by reducing the complexity of payment management whilst differentiating their offering from the competition. To achieve this, the Business Unit relies on the capacity for innovation of Ingenico and Landi, the Group's Chinese subsidiary, to offer an optimized range of terminals based on proprietary operating systems (Telium) and Android, as well as value-added solutions for the merchant. Its business activities therefore cover the complete scope from design of the offering to after-sales service.

Ingenico Group now works with the major financial institutions, with an acceptance network of more than 1,000 banks and acquirers around the world.

The world's largest banks have made Ingenico their trusted choice: Barclays, Crédit Agricole, Crédit Mutuel, Bank of China, Garanti Bank, and Bank of America. Ingenico Group also works with major acquirers such as Cielo, Redecard, Elavon, First Data, etc.

Retail: supporting merchants to enhance their activities

The e-payment market is evolving very rapidly as consumer usage expands. For merchants, this leads to growing complexity between geographical expansion, multiple distribution channels and services that must be available without interruption. They therefore have many specific requirements and their consumer experience must be frictionless and as straightforward as possible.

The Retail Business Unit helps large-scale distributors, small and medium-sized merchants, and e-merchants to support consumers in their omnichannel purchasing journey, to develop their cross-border activities and to increase their conversion rate. It combines a product offering comprising terminals and integrated in-store and online payment services with omnichannel payment solutions, to offer its customers free-flowing, unified services. The Retail Business Unit handles the full scope of activities, encompassing the design, preparation, marketing and operation of online and omnichannel payment services. It relies on its regional sales teams to develop its sales worldwide.

The Business Unit is organized as four Business Lines addressing the separate requirements of the various market segments:

- SMBs (small and medium-sized merchants): more than 200,000 merchants;
- Global Online (digital players): 660 million individual transactions billed, with a value of €49 billion;
- Enterprise (large-scale distribution and organized retail): 8.2 billion individual transactions billed, with a value of €276 billion;
- Payone (joint venture specifically for the DACH region): more than 250,000 merchants.

Creating value across different channels

Key priorities : delivering value whatever the channel

BANKS & ACQUIRERS

- **BRING** payments in every touchpoints, from desk to IoT
- **DELIVER** innovative solutions to banks and acquirers through tools and technology
- **DEEPEN** the relationship with our partners
- **ADAPT** our solutions according to markets maturity

RETAIL

- **DELIVER** differentiated value proposition to all merchants
- **DEPLOY** full service offering across all segments
- **EXPAND** our merchant base
- **LEVERAGE** geographical growth opportunities

SMBs

Building on the acquisition of Bambora, the division offers to its merchants solutions of acceptance, clear and shaped for their needs, fully integrated, to streamline the management of their e-payment solutions with simple and legible pricing. The goal of this division is to provide offerings that are simple to integrate to the existing infrastructures, omnichannel solutions to improve the consumer experience, and offerings that create value for the merchant in addition to e-payment alone, *via* business-focused value-added services.

The Business Line uses the Group's assets by combining terminals and transactional services up to acquiring, and incorporating a full installation and maintenance service, including software updates and value-added services.

In 2019, the Business Line had more than 200,000 merchant customers.

Global Online

The e-commerce market is expanding rapidly and online players aim to take full advantage of sector growth. Their goal is to offer customers the best possible environment for conducting a transaction and so maximize the conversion rate (number of purchases completed compared to number of purchases started). With this in mind, the entire customer experience must be controlled, from the homepage to the transaction management page and from a visual as well as a technical point of view.

It is in this context that the division offers online payment services that allow major online merchants to maximize their performance without having to worry about the technical side, whatever the complexity of transactions made and whether they are domestic or cross-border. In addition to technical matters, Global Online helps its customers to optimize their e-commerce websites and makes recommendations with regard to the payment methods needed to maximize their performance.

In 2019, the Business Line billed €49 billion of transactions, or 660 million individual transactions.

Enterprise

The customer relationship is evolving rapidly: consumers are now well-informed and seek the best product, at the best price, with the most comprehensive service package available. At the same time, the diversification of sales channels (in-store, e-commerce, mobile platform, connected commerce) creates new opportunities for retailers, who are thus reinventing the shopping experience and enhancing their brand promise.

Ingenico Group is leveraging its strong historical position in the payment terminals market, which it has expanded to incorporate in-store, online and mobile payment services, to provide merchants with innovative, omnichannel, secure and seamless solutions to meet the needs of a new generation of consumers.

The Group partners with many of the world's largest retailers and major multi-site brands, and counts among its customers: Ikea, Walmart, Sainsbury's, Starbucks, Home Depot, Best Buy, Tesco, Fnac, Coles, McDonald's, Burger King, Crate & Barrel, Staples, Picard, etc.

In 2019, the Business Line billed €242 billion of transactions, or more than 7.4 billion individual transactions.

Payone

Within the DACH region, Germany is the third largest market in Europe and the most dynamic country on the continent in terms of electronic payment. While a large majority of transactions is carried out in cash, representing more than 70% of total transactions and 50% of the transaction value, electronic transaction volumes are accelerating and are expected to grow by 7% per annum over the next five years. This offers the prospect of significant growth for players able to provide comprehensive, integrated electronic payment services.

Payone, which results from combining the business activity of BS Payone with the assets of Ingenico Retail in the DACH region, has a unique positioning in the DACH region, with a combined processing volume of €86 billion and nearly 350,000 payment terminals proposing a comprehensive solution that incorporates the in-store and online needs of all types of merchants.

In 2019, the Business Line had more than 250,000 merchant customers.

1.1.5.3 Innovation at the heart of the strategy

Development of innovative solutions is at heart of the approach of Ingenico Group to continue to help merchants in the constantly changing world of commerce. It allows the Group to better respond to changing consumer lifestyles and buying behaviors, whatever the sales channel of the product or service.

Ingenico Group's innovation strategy is based on:

- internal R&D;
- selective partnerships;
- targeted acquisitions;
- coordinated working with startup ecosystems.

The dynamic internal R&D team is the backbone of the Group's technological advances and is bolstered by innovative resources stemming from the Group's partnerships. Together, they generate the fast turnaround required to respond to the evolving market. In 2015, Ingenico Labs was created to support innovation across the Group.

Ingenico Labs

An organization dedicated to innovation, Ingenico Labs was created to research future solutions for the Group. Composed of marketing experts, engineers, researchers, as well as decision-makers of strategic partnerships, this unit works closely with all Group entities to define the merchant practices of tomorrow.

To accomplish this, the Group has developed partnerships with major players in the digital world for the deployment of new contactless payment methods. These include Apple, Samsung, Google and Intel, as well as research centers such as the *École normale supérieure de Paris* for matters relating to cryptography and Avignon University for voice biometrics.

In 2019, Ingenico Labs continued its work on the fundamental transformation of point-of-sale payment acceptance methods, continued to enhance the consumer checkout experience and continued developing services that will be central to future transactions.

In the current climate of simplifying the devices required to accept electronic means of payment, Ingenico Labs is working to develop mobile acceptance solutions for smartphones and tablets, such as Pin on Glass and Tap on Phone. Although this type of technology is not yet widely used and was developed predominantly for micro-merchants, this trend towards making it easier to accept electronic payments is set to foster an increase in the number of points of sale accepting electronic transactions. As a leader in the field of payment acceptance services, Ingenico Group is already benefitting from the Labs' work in this area.

Alongside this, and in partnership with major players in the digital world, such as Google (Google Pay Smart Tap), Ingenico Labs has developed services based on mobile payment solutions, to improve consumers' checkout experience. By using their smartphone to pay for their shopping, the consumer can automatically register for the merchant's loyalty scheme, and subsequently benefit from reductions, as a result of instant recognition and authentication through their smartphone. New consumer experiences using these new technologies are being explored by Ingenico Labs. These relate in particular to the use and archiving of paperless till receipts and the automation of tax-free purchase transactions.

Finally, Ingenico Labs continued its work on the major trends in the payment world of the future. The result is the Group's innovative voice payment solution, developed to enable "seamless" payment for purchases through voice assistants such as Google Home.

New initiatives were launched in 2020 around "invisible" payment to support the major changes expected in in-store purchasing experiences and in particular in the area of cashless stores.

In 2020, Ingenico Labs significantly strengthens its strategy of partnering with startups with the launch of an incubator in Barcelona, within the Barcelona Tech Center. This initiative was created as part of a joint venture with CaixaBank and Global Payments, two of the key players in the payment world. The purpose of this incubator is to assist in the creation and development of new technologies to address the challenges of future trade.

Internal R&D

Research and development (R&D) lies at the heart of the Group's work on innovation and improvement of its products and services.

The Group dedicates considerable resources to innovation and R&D in order to maintain its leading position in the payment services market, where technological and regulatory changes occur constantly, but also to develop seamless payment services for merchants looking to simplify payment methods while facilitating the payment experience for consumers. In 2019, the Group continued to make significant investments in R&D, spending 8% of its revenue and dedicating 24% of its workforce to this area.

The Group holds patents for all of the technologies essential to its business lines, in particular related to terminals, software, and security. The patent development policy combines in-house R&D with intellectual property rights acquired from third parties.

With multiple interaction points between the corporate and local R&D teams, the Group ensures that each region develops applications tailored to the specific requirements of its market. This has enabled the Group, for instance, to:

- deploy new mobile payment services for Apple based on Moby/8500 card readers linked to the iPhone® or the iPod Touch®. This solution combines sale and payment in one transaction, increasing cash-out capabilities and significantly reducing payment transaction time, and considerably improves the customer experience by enhancing the ecosystem of applications available on the smartphone;
- roll out a new Android terminal offering outside China, allowing the integration of business applications with payment applications on the same terminal;
- deploy acceptance solutions in Europe for new payment methods based on QR codes, such as Amazon Pay, WeChat Pay, and AliPay;
- launch the first payment services in China using facial recognition;
- launch a new contactless reader offering for open payment in the world of transport;
- roll out the first payment acceptance solution integrated into chatbots;
- expand the use of Artificial Intelligence in dealing with fraud.

Selective partnerships

The Group's internal R&D, combined with selective technological partnerships, accelerate the penetration of certain markets or technologies. That is why the Group has partnered with:

- Atmel for silicon in secure processor cores;
- IDEMIA to integrate biometric identification into our terminals;
- other partners for non-payment technologies such as color touch screens, secure keypads, communication modules, etc.

The Group has also worked alongside specialist investor Partech to launch Partech Growth, a venture capital fund for future giants of the technology and digital worlds. The aim of this investment is to foster the sharing of ideas, experience, and expertise. It is also likely to lead to new partnerships. Finally, Ingenico Group signed a partnership in 2017 with European accelerator The Family, to offer its online services to start-ups as part of the benefits offered by the incubator and to further the Group's expertise in the field.

1.1.5.4 Technology and security expertise

Ingenico Group's ambition is to reduce the ecosystem's growing complexity while allowing merchants to increase their sales, whatever the channel, through smart and secure payment services.

Security, enshrined in the Group's DNA

Security is a key factor in terminal design and a priority in every service offered. Payments are being made in new ways, becoming digitized, and making the role of security ever more important. Ingenico Group's R&D Department and its Innovation Division, Ingenico Labs, include teams that are dedicated exclusively to security and tasked with anticipating changes in standards. The Group continuously monitors compliance with the latest international and local standards, but it is also involved in creating them – whether for card services (*e.g.*, PCI SSC, EMVCo, etc.) or digital solutions (W3C).

Always at the cutting edge of secure payments, and regularly obtaining new certifications reinforcing requirements related to security, Ingenico Group offers its customers an unparalleled level of security. In November 2016, the Group became the first payment services provider to obtain PCI-PIN Transaction Security version 5.0 approval – the highest security standard in the industry. In addition, in 2014, the Group was one of the first players to obtain PCI DSS end-to-end encryption certification.

At the same time, since May 2013, Ingenico Group has been a member of the Board of Advisors of the PCI Security Standards Council, a forum on the development of security standards for bank cards.

For the Group's online business, ensuring the security of data transfers and online merchants' electronic payment transactions is a key part of its offering. Dedicated teams work daily to manage all the risks related to transactions, in accordance with current laws and regulations.

All solutions have PCI DSS Level 1 certification. In addition, Ingenico Group is a member of the PCI Security Standards Council and so contributes to new developments in the PCI Data Security Standard (DSS) and other payment card data protection standards. The division is in compliance with ISAE 3402 Type II for the processing of all payment products.

Ingenico Group is also involved in the development of new digital security standards, such as PIN on COTS, or Tap on Phone.

EMV, historical expertise

Ingenico Group was founded nearly 40 years ago in France, the country that invented the chip card. All aspects of the payment and secured transactions management culture associated with the EMV standard are in the Group's DNA. This standard has been widely adopted throughout the world. Beyond its leading position in EMV Chip & Pin payment services, Ingenico Group is also involved in EMV migration as a technical associate member on EMVco's Board of Advisors.

1.2 RISK FACTORS

Ingenico Group conducts its business in a changing environment and is exposed to risks which, if they were to materialize, could have a significant adverse effect on its activities, its financial position, its assets and liabilities, its results, its outlook, or on the Company's share price.

This section presents the significant risks to which the Group believes that it is exposed. However, other risks that the Group is not aware of or whose realization is not considered, at this date, as susceptible to have a material adverse effect on its activities, its financial position, its assets and liabilities, its results, its outlook, or on the Company's share price, may exist or occur.

Each quarter, the Audit and Finance Committee reviews and conducts assessments of potential risks that could adversely affect the activities carried out within the Group, as well as the suitability of the procedures in place. It reports its main findings to the Board of Directors, which approves the main risk factors included in the annual management report.

Throughout 2019, the Group continued working to improve its risk management process, which involved reviewing its risk universe, to which the risk factors below are aligned, as well as documenting the corresponding policy and procedures.

The Enterprise Risk Management process consists of analyzing all events that could pose a threat to the achievement of the Group's objectives. This involves all entities and functions being asked to identify and evaluate these events, which are subsequently consolidated at Group level, resulting in a Group risk map, from which the risk factors set out below are extracted.

Risk Factors / Criticality	High	Medium	Low
LEGAL & COMPLIANCE	• Regulatory Risk • Risk related to data confidentiality	• Risk of unethical conduct • Risk related to intellectual property	• Risk related to contractual terms and conditions • Risk related to PCI standards
COUNTERPARTY	• Risk of merchant default		
OPERATIONAL & SECURITY	• Risk related to IT security	• Risk related to service availability • Risk related to the quality of services & products • Risk related to change management • Risk related to the Group's dependence on third parties • Risk related to the supply chain • Risks related to human resources	
STRATEGIC	• Risk related to competition • Risk related to technological developments	• Risk related to the Group's expansion	• Geographical and political risk • Concentration risk • Risks related to the social and environmental practices of suppliers and subcontractors
FINANCIAL		• Risk of not meeting targets Risque fiscal • Tax risk	• Financing risk

The risk factors set out in the chart below are shown by category, as well as by their potential level of criticality (which is the factor of their potential impact as well as the estimated probability of occurrence). Within each category, risk factors are classified in descending order of impact. In addition, the likelihood of each event occurring is represented by a "●○○, ●●○ or ●●●" symbol.

1.2.1 Legal and compliance risks

Regulatory risk ●○○

The Group's business activities are subject to many regulations, including commercial, customs, and tax regulations in France and internationally. Payment services in particular are subject to strict regulations, especially at the European level, with, for example, the *De Nederlandsche Bank* in the Netherlands, the *Finansinspektionen* in Sweden and the *Bundesanstalt für Finanzdienstleistungsaufsicht* in Germany. The same also applies to a number of players in the payment services market, such as Visa & MasterCard. But it also applies outside Europe, in regions that have not previously been regulated. This change relates both to market access conditions and to the charges that apply.

Changes in any of these regulations or the terms of their application, especially the tightening of regulations governing payment and e-money institutions, may lead to some difficulties of application, or even to various types of sanctions, which may have a material adverse effect on the Group's business, financial position, reputation and ability to meet its objectives.

Even if amendments to laws, regulations or standards did not apply directly to the Group, the impact on its financial institution customers may have indirect and significant repercussions on how the Group conducts business and the demand for the payment services it provides. In particular, the Group would need to adapt its systems and procedures to comply with new regulations.

The implementation of the second European directive on payment services (PSD2) is one such regulatory change that involves the setting up of new systems (*i.e.* notification process of operational incidents, strong authentication for end-customers). In this regard, the Group's entities that are subject to this regulation have taken the necessary steps to comply with the applicable local regulatory provisions.

Due to the increasing place of the Internet, mobile and IP-based telecommunication networks, a variety of laws and regulations are being drafted or amended (particularly to fight against money laundering and fraud) to address the issues of privacy, security, pricing, content, and quality relating to products and services. Growing concern about these issues, as reflected in the adoption of additional laws and regulations, could conceivably slow down growth in these areas, possibly resulting in lower demand for Ingenico Group's products and therefore adversely affecting its business, results of operations, financial position and ability to meet its objectives.

Risk management

The Group's Compliance Department is responsible for supervising and monitoring all matters relating to ethics and compliance within Ingenico Group. It handles the implementation of the various aspects of the Group's Code of Ethics and Business Conduct and ensures that these issues and compliance policies are consistent across the Group. In 2019, the Group continued to roll out its global project to achieve compliance with the European General Data Protection Regulation (GDPR) as well as with relevant local legislation.

In addition, the Group may call on experts to conduct *ad hoc* checks on the compliance of some of its practices with applicable regulations.

Risk related to data confidentiality ●●○

In the course of its business, the Group collects, uses and processes various types of data, including personal data. The Group notes an increasing amount of legislation and regulation in relation to data management, and to personal data in particular, both within the European Union and in other regions in which the Group operates.

Risk management

The Group has taken steps to ensure the reliability of its data protection and data security systems and to reduce any potential risk caused by a breach of the personal data it processes.

Despite the measures adopted by the Group, in particular regarding the European General Data Protection Regulation ("GDPR"), which aims to guarantee the confidentiality, integrity and security of data, there is still a risk that data processing systems may be hacked or breached.

Risk of unethical conduct ●●○

Ingenico operates in more than 170 countries around the world, some of which have been identified by specialized bodies such as "Transparency International" as at risk of corruption. Differences in culture and local practice can represent a risk for Ingenico.

Any behavior that, despite the Group's best efforts, is contrary to its values could have serious consequences for the Group's accountability and have repercussions of both a financial nature as well as for its reputation.

Risk management

Ingenico Group ensures that all of its employees act at all times in accordance with the values of integrity and respect for the internal and external standards that are the foundation of its corporate culture.

In 2019, Ingenico Group pushed ahead with its action plan, and in particular with the update of the Group's Code of Ethics and Business Conduct, intended for its employees and those with whom it has business relationships, particularly suppliers and subcontractors. The Code, which sets out the standards and behaviors that apply to the Group's businesses (such as employee rights, compliance with the legislation and regulations in force, etc.), has been revised to make its content more accessible and easier for employees and third parties to understand, and to include a more detailed explanation of the anti-corruption mechanism. Two new policies have also been added; the "Anti-corruption" policy and the policy concerning potential "Conflicts of Interest".

Ingenico continued to implement the range of actions designed to reinforce its anti-corruption mechanisms in line with the corruption risk mapping, particularly *via* its training program, which is specific to Ingenico's business. This took place in compliance with the anti-corruption measures set out in the "Sapin II" law of December 9, 2016 relating to transparency, the fight against corruption and the modernization of economic life.

Risk related to intellectual property

If a third party were to consider that the Group's products made unauthorized use of their rights, any legal challenge lodged by these parties, if upheld, could result in the Group being prohibited from using the technology in question and banned from selling the products concerned. In the case of such a legal claim, the Group could be confronted with significant costs, production delays, or could even be forced to redesign its products. Any one of these developments could adversely affect its business, results of operations, financial position, and ability to meet its objectives.

Risk management

To ensure that the rights of third parties are guaranteed, whenever necessary, the Group conducts research on existing intellectual property and keeps a close watch over its portfolio. Ingenico Group also works with patent lawyers to keep abreast of any possible infringement complaints and legal disputes that might arise from them. Recently, companies known as "patent trolls" have sprung up in the United States and France. Ingenico Group has implemented specific measures to monitor this trend, and with the assistance of law firms specializing in intellectual property rights, defends itself against such improper practices in both the United States and France.

Based on the risk assessment performed by Ingenico Group to date and in accordance with the applicable accounting standards, no provision was recognized for such claims in the consolidated financial statements as of December 31, 2019.

Risk related to contractual terms and conditions

In order to provide a structure for its customer relationships, Ingenico Group has drawn up contractual principles that set out the terms and conditions the Group accepts.

However, it is possible that there will be business practices specific to certain regions or certain customers that contradict these principles and these could represent a stronger exposure to the risk.

Risk management

The contractual principles are defined and revised at Group level, then communicated to all subsidiaries. Any derogation from these principles is strictly regulated by a Group-level approval process. This process involves analyzing the potential risks associated with approving a departure from the predefined Group standards.

Risk related to PCI standards

The security standards established by the PCI SSC (Payment Card Industry – Security Standards Council) are designed to enhance card payment data security by promoting the broadest possible implementation of the specific standards relating to the various components of card payment transactions. The main standards are the PCI PTS (Payment Card Industry – PIN Transaction Security) and PCI DSS (Payment Card Industry – Data Security Standard). PCI PTS for PIN code entry aims to guarantee that the cardholder's PIN is always processed securely by the PIN entry device and ensures the highest level of payment transaction security. The aim of PCI DSS, which relates to the digital and electronic banking environments of merchants and payment service providers, is to ensure that private cardholder data and sensitive transaction data are always processed securely in systems and databases. This standard is mandatory for all systems that process, store or transmit such data, regardless of whether payment is made with a payment card.

Updates to these standards involving changes to existing requirements are managed by PCI SSC and its founding members (Visa, MasterCard, American Express, JCB, and Discover), in consultation with stakeholders from across the electronic payment industry (*e.g.*, local banking entities, payment terminals and services suppliers, regulators, merchants, banking associations, and banks). This organization offers manufacturers the opportunity to take part in shaping the standards and their implementation rules. Ingenico Group is a "participating organization" in the PCI SSC, with a seat on the Board of Advisors. As such, it has a say in defining specifications and ensuring their consistency with the requirements of the various stakeholders. These standards remain valid for a minimum of three years. Ingenico Group's product and solution development teams take these new standards into account right from the initial design stage.

Whenever these standards are modified, changes have to be made, not only in the kernel software that manages security components, but also in the terminal hardware. From one version to the next, the implications for Ingenico Group in terms of investment may therefore be quite significant.

Risk management

Ingenico Group takes all the necessary financial and technical steps to ensure its new payment terminals comply with the current version of the PCI PTS standard, which has resulted in increased security for payment card interfaces (magnetic stripe, chip, and contactless) and stronger PIN protection.

Although the certification process is extremely robust, there is a risk that once in use, specific products might reveal defects that could subsequently lead the PCI Council to challenge their certification. In the event of a withdrawal of certification, such a challenge could lead to prohibition of sales of the product, resulting in decreased revenue and a financial loss.

As a provider of payment services, particularly centralized payment solutions for large-scale retail businesses, and online payment solutions (e-Commerce), Ingenico Group must also comply with the PCI DSS. Ingenico Group's payment services are all subject to an annual third-party audit by a Qualified Security Assessor (QSA) certified by PCI SSC. Again, this audit process provides a reasonable level of confidence in system security but is not an absolute guarantee of the impossibility of a breach of networks and servers, which may lead to theft of sensitive data.

As with PCI PTS, changes in this standard would entail changes in the architecture of data processing systems, networks and servers. The investment implications for Ingenico Group would be substantial.

The Group maintains an ongoing relationship with those responsible for PCI SSC and payment schemes (international and national) to ensure that the Group can address all aspects of current and forthcoming standards in the best possible conditions, and to ensure that it is in a position to anticipate trends and prepare for future investments and corrective expenditures.

1.2.2 Counterparty risk

Risk of merchant default

The acquisition and collection businesses expose the Group to counterparty risk, if a merchant defaults and is unable to meet its service obligations to end customers. The Group might be required to reimburse payments that customers have made to this merchant, and for which services have not been provided, with no guarantee of recovery from the said merchant, particularly if they have become bankrupt.

Risk management

The Group has developed a methodology for conducting a detailed analysis of the risks associated with each type of service it offers in order to ensure the risk is monitored on a regular basis, and has also determined a risk profile for each type of merchant so that it can proactively manage its exposure. This approach is complemented by thorough analysis of the various counterparties to ensure their financial reliability and, if applicable, to be able to demand more appropriate guarantees. This approach is governed by two separate committees (one within the Retail BU and one at Group level) which ensure compliance with the methodology and can grant derogations under certain circumstances. The main objective of this system is to limit the impact that counterparty default would have on the Group (see Note 9.e. "Financial risk management" in the notes to the consolidated financial statements as of December 31, 2019).

1.2.3 Risks related to operations and data security

Risk related to IT security

Payment terminals

In the course of its business activities, the Group places a significant number of terminals with merchants that allow them to accept a variety of payment methods.

Payment terminals play a central role in ensuring the security of sensitive data transfers and electronic payment transactions. Ingenico Group manufactures terminals that incorporate cryptographic technology and comply with PCI PTS security standards.

Any security breach or any claims with respect to the security of the Group's IT systems or terminals could damage its reputation and adversely affect its business, results of operations, financial position and ability to meet its objectives.

Risk management

The Group has implemented a set of security measures, both physical and software-based, to guarantee the integrity of its products. These are also subject to PCI standards and are certified before being rolled out. In addition, a procedure is in place for tracking terminal quality and security throughout the life cycle, including design and production at EMS (external manufacturing services) plants.

Transactional platforms

In connection with its business activities, the Group receives, processes, stores and transmits a significant volume of personal information and payment data in electronic form *via* its transactional platforms.

A transactional platform is a set of IT resources (networks and servers) that handle sensitive data.

Any security breach or any claims with respect to the security of its platforms could therefore damage its reputation and adversely affect its business, results of operations, financial position and ability to meet its objectives.

Risk management

All Group platforms are subject to special attention in terms of security and are protected by a set of measures including but not limited to firewalls, integrity verification systems, intrusion detection and prevention systems as well as a security event surveillance system. These systems help to secure the platform and contribute to the compliance and certification of PCI DSS platforms.

Information technology systems

The Group processes a large volume of data *via* its payment platforms and its IT systems in order to ensure the smooth running of the transactions for which it is responsible. In particular, these systems include collection, accounting and management services for incoming and outgoing financial flows on behalf of the various operators in the payment services chain.

An interruption of service, a technical fault or a fault in the translation of contractual rules in systems could therefore lead, for example, to accounting errors, incorrect redirection of financial flows or a suspension of transactions due to systems being unavailable, and could have a negative impact on the Group's business and damage its reputation. Such a situation could have various origins, such as a computer attack (virus, ransomware, denial of service, etc.), a technical malfunction, human error or inadequate configuration of the IT systems.

The introduction of new technologies (Cloud Computing, Bring Your Own Device), the evolution of industrial control systems, and the development of new tools such as social networks, expose the Group to new threats. Cyber risks, including computer hacking and attempted breaches, are increasingly targeted. These attacks are carried out by real experts who may attack the Company as well as its private or public partners. More generally, a systems failure could lead to the loss or the leak of information, delays, and additional costs that could be detrimental to the Group's strategy or its image.

Risk management

The Information Technology Systems Department is in charge of security for the networks and systems and implements IT security measures that are tailored both to the identified risks and to the applications essential to the Group's business continuity, and performs periodic penetration tests or back-ups.

Risk related to service availability

Ingenico Group aims to provide its customers with the best possible quality of service and this is achieved, in particular, through optimum availability of its services. Releasing new functionality to production, system updates, and human intervention can cause untimely shut-downs and a deterioration in the quality of service received by the customer.

Risk management

Ingenico Group makes every effort to prevent this, particularly by setting up test environments and organizing pilot phases with customers.

In the event that there is a service outage, the Group has drawn up operating procedures and methods to ensure continuity of key services. These are also tested on a regular basis.

In the context of developing its Transaction Services activities, Ingenico Group makes increasing use of several service providers for its platforms.

Providers are selected through competitive bidding on the basis of Ingenico's operational and financial specifications. The Group's relations with its service providers are contractually stipulated.

Risk related to the quality of services & products

A single operating, configuration or manufacturing defect or the use of faulty components in any of the Group's products and systems could result in product liability lawsuits of varying size which could damage its reputation and adversely affect its business, results of operations, financial position, and ability to meet its objectives.

Risk management

The Group has implemented a quality control procedure designed to reduce risks in situ at Jabil.

In this respect, a provision for warranties is recognized by the Group when the corresponding goods or services are sold. As of December 31, 2019, the provision for warranties recorded in the consolidated financial statements amounted to €16.9 million (see Note 8 "Other provisions" to the consolidated financial statements as of December 31, 2019).

Moreover, a provision for product quality risk is recognized when this risk is not covered by the provision for warranties. As of December 31, 2019, the provision for product quality risks recognized in the consolidated financial statements amounted to €5.9 million.

Risk related to change management

In 2019, Ingenico Group began to transform its organization in order to support the acceleration of its business and in particular to provide the flexibility required to adapt to market changes. This plan involves a change of culture and structure, as well as processes. The introduction of this plan could represent a risk insofar as its implementation may not take place as expected.

Risk management

The Group is focusing its full attention on the successful implementation of this plan. It is being sponsored at the highest level of the organization, and a dedicated Steering Committee meets regularly to monitor the implementation of the various action points identified. This is also reflected in the revision and documentation of various internal processes.

Risk related to the Group's dependence on third parties

Payment terminals

The Group has entirely outsourced the production of its payment terminals to a specialized leading electronic assembly company, or EMS (External Manufacturing Services). The Group currently works with one of the world's five largest electronic sub-assembly subcontractors, Jabil, which handles its production work at sites in Brazil and Vietnam.

Risk management

Most of the payment terminals are produced at several sites, so that production could be shifted from one site to another if one of them fails. Alternative production sites are also identified in the business continuity plans. Although the geographical spread of the various EMS production facilities, takes geopolitical and natural risks into account, the Group cannot guarantee that in the event of major political problems, a shift in production site would not generate temporary hardware manufacturing difficulties.

Transactional platforms

As part of its payment services activities across all sales channels (in-store, online, and mobile), the Group engages in partnerships with a variety of Tier 1 acquirers. In the event of failure of one of its partners, the Group would turn to new suppliers identified within reasonable timeframes. However, the failure of several partners could affect the Group's ability to exercise its payment services activities.

Risk management

In order to limit this dependence, the Group is working to diversify its partnerships, as well as to distribute the volume of products produced between them in order to keep the consequences of one of them failing to an absolute minimum. Furthermore, through its acquisition of the Bambora Group, the Group has gained its own capacity to take on acquiring business within Europe.

Risk related to the supply chain

The Group is dependent on adequate sourcing of electronic components through Jabil, its EMS payment terminal manufacturers. Because component shortages are a clearly identified risk in the electronics industry, the Group takes all due care to monitor industry forecasts, and the Operations Department checks those forecasts against the Group's sales forecasts in order to anticipate the risk of component shortages.

Risk management

To better anticipate sourcing disruption risks caused by shortages, supplier failures or natural risks, a multi-sourcing policy is consistently applied where possible and, in certain cases, security stocks are created for critical components. Moreover, some key suppliers are required to have two production sites for sensitive components.

These preventive measures introduced by the Group cannot, however, entirely eliminate the risk of component shortages.

In December 31, 2019, the Group had placed approximately €116 million in firm price orders with its manufacturers (see Note 13 "Off-balance sheet commitments" to the consolidated financial statements as of December 31, 2018).

In addition, as part of the outsourcing of the production and assembly of its payment terminals to Jabil, the Group has made several inventory buyout commitments to its suppliers. The Group recognizes a provision for supplier inventory buyout commitments to cover the risks associated with these agreements, particularly the risk that components held by suppliers may become obsolete and the risk that supplies may exceed planned output. A provision for the full value of components declared obsolete is recognized. The Group estimates excess supplies by comparing the procurement and production plans. The provision recorded in the consolidated financial statements as of December 31, 2019 for supplier inventory buyout commitments came to €6.1 million (see Note 8 "Other provisions" to the consolidated financial statements as of December 31, 2019).

Risks related to human resources

Driving forward in a business sector that is governed by major technological changes and competitive pressures, Ingenico faces significant challenges in attracting, developing and retaining the skills necessary for its growth. By not having timely access to these skills, quantitatively and qualitatively, the Company could run a risk of slowing down the implementation of its strategy.

Rapid changes in the markets, more widely available information, the development of new technologies, and recent changes in governance mean that employees have to work in an uncertain environment.

The Company's transformation and strategic choices could have an impact on its perceived attractiveness by potential candidates, thus leading to a shortage in key talent.

This transformation may also have an impact on employees' health, particularly due to the stress and anxiety that can be caused by major changes to the Company structure, and a resulting impact on the Company (increased absenteeism, reduced productivity, deterioration in industrial relations).

The Group must therefore ensure that it:

- has the necessary skills at all times, particularly in the field of software engineering, which is central to the design of the payment services offering;
- develops managerial skills at all levels to drive its continued transformation;
- effectively integrates new employees, especially in the case of acquisitions;
- remains a benchmark employer in its sector;
- keeps employees informed of changes within the Group.

Risk management

Several programs and initiatives have, therefore, been implemented to prevent this risk. These involve generating employee engagement through regular monitoring of the People IN! engagement survey and the implementation of dedicated action plans, increased internal communication to clarify Group strategy, training for all employees, particularly *via* its e-learning platform, and retaining key talent, including through long-term Group compensation plans and specific plans in the case of acquisitions.

Ingenico Group thus has a proactive and multi-faceted approach so as to ensure that it has the talent and skills necessary for its future success – but with uncertainty about the level of impact these actions will have on recruiting the resources needed for its development, at the right time or under satisfactory conditions.

1.2.4 Strategic risk

Risk related to competition

In the payment terminals business

Historically, the payment terminals market has been largely in the hands of two main global players.

These days, the success of new manufacturers in the terminals market is a reality, both in China and worldwide *via*, in particular:

- players in emerging countries may expand internationally;
- large companies that previously focused on secure electronic transaction processing may wish to move down the electronic payment value chain and include payment terminals in their offering;
- the emergence of new players who use disruptive solutions or develop technologies on open platforms (Android).

Risk management

The Group pays close attention to the development and positioning of its competitors, in order to be able to adapt and respond to these changes. This is reflected in the conduct of market research and the gathering of competitive intelligence.

The Group is also working to harness all its in-house resources and skills so as to be able to adapt its offering and remain competitive as a result. This includes, in particular, developing a range of Android-based products.

In the payment service business

The development of this business activity is contributing to the expansion of competition risks beyond the market for conventional payment terminals. The services provided by the Group (such as management of connectivity, transactions, management of installed terminals, transaction processing for in-store, online and mobile sales, and value-added services) are not generally offered by its traditional competitors, but by companies that may be partners or customers of the Group, or by companies with an established position as providers of one of these service packages. Payment services tend to be a competitive business involving fairly large companies (*e.g.*, First Data International, Worldpay).

Risk management

The Group offers customer-based and country-specific services and solutions that reflect local market structure and customer positioning.

Despite its credibility and the expertise it has gained in payment and value-added services through acquisitions, the Group may still be unable to achieve sufficient credibility as a payment service provider. Such a development could adversely affect its business, financial performance and ability to meet its objectives.

Risk related to technological developments

The payment industry is subject to rapid and significant changes in services and technology, with the development of new payment terminal technologies (QR codes, biometrics, facial recognition, etc.) and alternatives to payment terminals (*e.g.*, online and mobile payment).

Currently, microprocessor cards are the best platform for providing network services, personal identification, security, e-commerce and mobile commerce.

If, however, alternative solutions were adopted, this change could adversely affect its business, results of operations, financial position and ability to meet its objectives.

Risk management

Adopting the Eurocard Mastercard Visa (EMV) standard worldwide and working closely with the leading suppliers of technology used in payment terminals (*e.g.*, contactless cards, mobile payment with Near Field Communication technology) mitigates the Group's exposure to risk should other systems and standards be developed that are incompatible with conventional secure payment systems. Moreover, Ingenico Group has undertaken to develop specific expertise in managing such risks.

The Group continually monitors trends in payment technology and usage among banks and merchants around the world. In particular, it has broadened its presence on the value chain, including *via* its acquirer business.

The Group also monitors the development of payment methods offered by new significant players in the ecosystem such as Google and Apple, as well as initiatives such as Amazon Go. To date, the Group has signed agreements with Google and PayPal in the United States to facilitate the development of these solutions.

Therefore, and despite these initiatives, the Group might not succeed in anticipating demand for new payment methods accurately or at the right time. In fact, the consequences and pace of technological change and the emergence of new methods of payment are unpredictable. Such a development could adversely affect its business, financial performance and ability to meet its objectives.

Risk related to the Group's expansion

The Group's development strategy involves both the expansion of its domestic businesses and external growth worldwide. Although the Group examines and investigates any investment project under a very stringent procedure involving the participation of a number of key functions, it is still possible that:

- assumptions underlying the profitability of investment projects are not verified;
- certain elements are not identified during the acquisition process and could subsequently have a negative impact;
- it does not successfully integrate acquired or merged companies.

As a consequence, the expected benefits from any future or completed external or internal growth efforts might not be realized within the expected periods or at the predicted levels, thus impacting the financial position of the Group.

The Group must also maintain an ability to adapt its structures swiftly in order to adjust to changing technology, payment methods and customer demand. To prevent these risks, the Group is launching and progressing a large number of projects in a limited time and with fixed resources. Various project management methodologies are used, such as the agile method, to help prioritize resources.

Risk management

With regard to asset acquisitions, Ingenico Group ensures that all due diligence activities it carries out involves various departments within the Group, but it also seeks the support of external experts. Once a transaction is confirmed, the integration process is initiated and a dedicated committee is formed to monitor the successful implementation of the plan, achieve the synergies intended and, if necessary, take appropriate corrective measures.

Geographical and political risk

The Group markets its products and services in more than 170 countries around the world, and intends to grow its business.

As such, it is particularly exposed to the following:

- local economic and political conditions;
- exchange rate fluctuations;
- restrictions on capital repatriation;
- unexpected changes in the regulatory environment;
- a variety of tax regimes that may adversely affect the outcome of the Group's business or its cash flow, particularly regulations on transfer pricing, and withholding taxes on remittances and on other payments made by the Group's associates and subsidiaries;
- import restrictions;
- customs duties, controls on exports of products and services and other trade barriers;
- or any other local or global macroeconomic events (*e.g.*, a change of government, a change such as Brexit, or a local or global health crisis such as coronavirus[1]).

(1) For a description of the Group's exposure to the risks pertaining to Coronavirus Covid-19, see chapter 4.1.3 "Main risks and uncertainties in 2020" of this Document.

Risk management

The Group carries out an in-depth review of the regulatory framework of each country, with the aim of understanding the local market and assessing the possibilities for starting up operations. Consistently strict terms of payment are applied, especially in countries in Africa, the Middle East, Southeast Asia, and Eastern Europe. Local teams are also a source of information, enabling the Group to adapt its strategy if they identify an event that could be detrimental for the Group.

Concentration risk

Although the Group sells to a large number of customers, some generate a significant portion of its revenue. The Group's top customers, top five customers and top ten customers accounted for 2.0%, 7.6% and 12.4% of its revenue, respectively, in the year ended December 31, 2018. A loss of, or decrease in, business with one or more of these customers could result in a proportional reduction in total revenue.

Risk management

As the Group is aware of this risk of dependence, it is making efforts to manage it as far as possible, whether by strengthening its links with these major customers or by diversifying its customer portfolio wherever it can.

	2019		2018	
	In millions of euros	*% revenue*	*In millions of euros*	*% revenue*
Revenue derived from the top customer	89.4	2.7%	54.0	2.0%
Revenue derived from the top five customers	275.7	8.2%	199.9	7.6%
Revenue derived from the top ten customers	425.4	12.6%	327.0	12.4%
GROUP REVENUE	**3,370.1**		**2,643.4**	

Risks related to the social and environmental practices of suppliers and subcontractors

Ingenico Group has a complex global supply chain. Despite the policies and actions instituted by the Group, suppliers and subcontractors could have environmental and social practices going against the Group's vision and standards.

Risk management

The Group requires that its suppliers abide by the rules set out in its code of ethics and business conduct, such as respect for human rights and protection of the environment. In addition, Ingenico Group writes social and environmental requirements into contracts that the Company signs with its industrial partners, whether with the assembly sites for Ingenico products or with strategic component suppliers.

In order to strengthen the transparency of its supply chain, the Group endeavors to trace the origin of so-called "3TG" minerals (tin, tantalum, tungsten and gold) that are included in the composition of its products to ensure that they do not benefit armed groups violating human rights in the Democratic Republic of the Congo and neighboring countries. It also intends to enhance its control of the provenance of cobalt, a controversial substance used in the electronics industry.

1.2.5 Financial risks

A detailed analysis of market risk (interest and exchange rate risk), counterparty risk and liquidity risk is available in Note 9.e. "Financial risk management" to the consolidated financial statements as of December 31, 2019. Ingenico Group has performed a separate review of its liquidity risk and deems that it has the means to meet its future obligations.

Risk of not meeting targets

The Group's financial performance depends on a variety of factors, and specifically on its ability to do the following:

- increase revenue from the sale of payment terminals and services related to this business while maintaining margin levels;
- increase revenue from the Group's services business, in particular *via* online payment and mobile payment transaction management services and the sales of these value-added services;
- maintain profit margins on these business activities in the various market segments, as well as in the geographical areas in which it operates;
- streamline and effectively leverage the technical infrastructure and platforms used;
- control operating and development costs.

Risk management

The Group's financial management carries out monthly performance analysis and regular earnings forecasts and regularly informs the Board of Directors of results and any changes.

However, the Group's business, results and financial position could be affected:

1) if the Group were to fail to achieve all or some of its targets;
2) if the market prices, and therefore the profit margins, of payment terminals were to fall significantly and continuously;

3) if the growth in demand for payment terminals were to slow significantly or if the volume of business in Transaction Services were to decrease significantly due, for example, to unfavorable economic conditions which could result in a major decline in consumption.

The Group's objectives are described in section 4 of this Registration Document.

Tax risk

Due to its international presence, the Group is exposed to both complexity and interpretation of fiscal regulations within each country where it is operating. Thus, it could be affected by inaccurate interpretation of these regulations. Furthermore, the evolution of these could lead to an increase of applicable taxes.

Risk management

The Group is running a regulatory surveillance, notably through local teams as well as external advisors when necessary.

Financing risk

The Group could require additional financing, for example:

- if the Group maintains its policy of expanding through acquisitions in order to develop synergies with its businesses, acquire installed terminal populations to accelerate the implementation of its service strategy, or purchase payment technologies that complement payment terminals (*e.g.*, online and mobile technologies);
- if technological changes compel the Group to invest substantially in new technology and new terminal and service offerings;
- if revenue and margins contract as a result of events over which the Group has no control;
- or, more generally, if the electronic payment market undergoes major change.

Risk management

The Group cannot always be sure that it has adequate financing in place at the right time, and without it, its ability to grow could be adversely affected. The Group does have unused sources of financing as described in Note 9.e. "Financial risk management" to the consolidated financial statements as of December 31, 2019, and has also introduced a decision-making process designed to anticipate future needs.

1.2.6 Non-recurring events and legal disputes

In the normal course of business, the Group may be involved in a number of administrative or judicial proceedings under which its responsibility may be engaged on a variety of bases.

1.2.6.1 Tax disputes

During fiscal year 2019 and previous years, Group companies were subject to tax audits and, on occasion, correction proposals. The financial consequences of such additional tax adjustments are recognized through provisions for the amounts that have been identified and accepted or are considered likely to result in an outflow of resources which can be reliably estimated.

The Group periodically reviews the assessment of this risk as audits or litigations progress and is of the opinion that there are no ongoing audits that will have a material impact on its financial position or liquidity.

These tax disputes are detailed in Note 8 to the consolidated financial statements as of December 31, 2019.

1.2.6.2 Commercial disputes

Disputes are regularly reviewed by the Group's Legal Department and are covered by provisions when the Group considers it probable that an outflow of resources will be necessary to cover the risk incurred, and that a reliable estimate of this amount can be made. Reversals of unused amounts chiefly reflect the resolution of such disputes that were settled in the Group's favor, or in which the amount of the damages awarded proved to be lower than originally estimated.

1.2.6.3 Conclusion

As of December 31, 2019, Ingenico Group recognized provisions for litigation and claims totaling €8.9 million, in respect of various commercial disputes and various industrial tribunal disputes. These disputes are described in Note 8 "Other provisions" to the consolidated financial statements as of December 31, 2019.

To the best of the Company's knowledge, for the period covering the last 12 months preceding December 31, 2019, there are no judicial or arbitration proceedings of which the Company is aware that could have or have recently had significant effects on the financial position or profitability of the Company and/or the Group.

1.2.7 Insurance

The Group's policy is to purchase insurance from external sources so as to cover insurable risks to the Group and its personnel at reasonable rates. The Group estimates that the kinds of risks covered and the guarantees provided by its insurance policies are consistent with standard industry practice.

Ingenico Group's global insurance program 2019 includes the following coverage:

- civil liability;
- damages and business interruption;
- MAT insurance for shipped goods;
- directors and executive officers' liability;
- fraud;
- cyber.

Any newly created subsidiary or company joining the Group during the year is immediately covered by this Group-wide insurance plan under the same terms and conditions, up to specific revenue and/or asset limitations.

The program operates on two levels:

- at the corporate level, there are worldwide insurance programs to cover the Group's main exposures;
- at the local level, subsidiaries have taken out insurance to comply with their local regulatory obligations, as well as coverage supplementing Group-wide insurance programs to cover their specific exposures.

The credit rating of the insurer is a key factor in the Group's choice of carrier.

It should be noted that the Company does not have separate insurance coverage for the risks of illness, resignation, or death of its key executives.

The cost of the Group's insurance cover increased slightly in 2019 but remains under control. The premiums budget for the afore mentioned global programs (including integrated local policies) was €1,881,237.

1.3 RISK MANAGEMENT

The Company uses the international internal control framework developed by COSO (Committee of Sponsoring Organizations of the Treadway Commission) and applies the framework's general principles in outlining the description of its risk management system for this report.

Risk management should be understood as meaning all activities that are in place to control risks: enterprise risk management, operational risk management, internal control and internal audit.

1.3.1 Definition and objectives

Ingenico Group's management approach strives for dynamic adaptation of its risk management system to the nature of its business activities, changes to its business model and its strategic objectives.

The Group's risk management model therefore aims to be comprehensive and to cover all its activities, processes, and assets. It must allow directors to maintain risk at acceptable levels. Risk is defined as both the absence of a positive event that was anticipated and the occurrence of a negative event, where the consequences could have an impact on people, assets, the environment, the Company's objectives or its reputation.

Risk management is a process validated by the Board of Directors and implemented by the executives and employees of the organization, to provide reasonable assurance as to the achievement of the following goals:

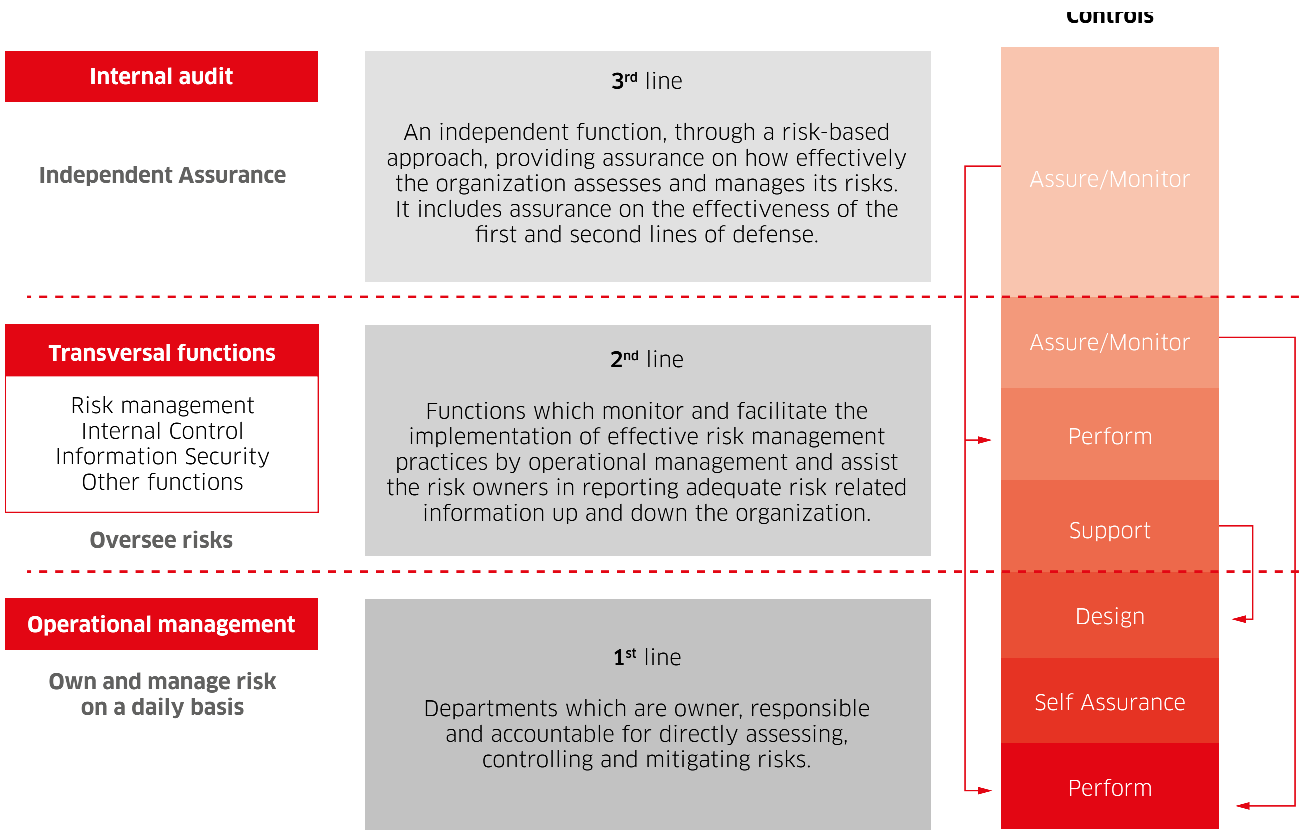
- compliance with applicable laws and regulations;
- effectiveness and efficiency of operations;
- reliability of financial information.

The risk management system in place within the Company, as well designed and well applied as it may be, can only give shareholders, executive officers and the Board of Directors reasonable assurance that the above objectives will be achieved.

Internal audit, permanent control and enterprise risk management come under the Internal Audit, Risks and Compliance Department.

To execute its risk management activities, the Company has adopted an organizational structure based on the three-lines-of-defense model in accordance with the principles set out in the COSO framework, covering operational management, oversight functions, permanent control, enterprise risk management, operational risk management and internal audit.

This model provides a governance structure by clarifying the roles and responsibilities of each agent in charge of risk management.



The risk management system set up by the Company encompasses all the companies included in the Group's scope of consolidation. The Group ensures the existence and proper functioning of risk management systems in its subsidiaries.

1.3.2 Description of risk management processes

The Company takes the same approach to risk management as the COSO framework, in which five components are defined.

Control environment

The control environment is based on a company culture conducive to risk control. It encompasses the integrity, ethical values and competence of personnel, the policies on the delegation of authority and the organization and training of personnel, and the governance rules applied at the initiative of the Board of Directors.

The Company's Board of Directors includes an Audit and Finance Committee, the composition, meeting frequency and main responsibilities of which are described hereafter. It plays a key role in the risk management system, since its responsibilities include:

- examining and assessing all points related to the preparation, auditing and publication of financial documents produced by the Company in connection with its financial reporting;
- reviewing the annual internal audit plan and monitoring the recommendations issued by the Statutory Auditors and the internal audit team;
- monitoring the performance of the risk management systems.

The Code of Ethics and Business Conduct defines the key principles and rules of behavior expected within the Group. In this way, it serves as a reference for all employees and any other third party working with Ingenico. The Code of Ethics and Business Conduct is also an important tool for maintaining the quality of the control environment within the Group.

A gifts and invitations policy sets out the rules and procedure to be followed by all the Group's employees in terms of accepting and offering gifts and invitations.

The whistle-blowing system provides a dedicated e-mail address (ethics@ingenico.com) to allow any employee or stakeholder to report events that may constitute a violation of the Code of Ethics and Business Conduct, such as corruption or harassment. Such reports are handled confidentially to protect the rights of those involved, within the limits prescribed by law.

Delegations of authority are in place within the Group to define the scope of responsibilities, based on the skills, resources and proximity to operations that are necessary to the decision-making process. Thresholds and rules are in place for each manager on a wide range of matters, and these are set out in the delegation of authority, to enable effective and streamlined decision-making that addresses the challenges and risks faced by the Group. Delegations of authority were adapted in 2019 to reflect organizational changes and will be implemented for 2020.

A declaration regarding conflicts of interest for all employees of the Group and its subsidiaries, and more specifically for management, helps to ensure their independence in performing their duties, and to provide for permanent control.

Risk assessment

Every entity faces a variety of risks from external and internal sources that may impact the achievement of its objectives and that have to be managed, *i.e.*, identified, assessed and dealt with *via* a suitable plan of action, in order to achieve an acceptable level of risk that is approved by the Audit and Finance Committee. The main risks faced by the Company are described above.

The Group's risk management policy defines the objectives and the methodology for identifying, analyzing and handling risks. The Enterprise Risks Department is responsible for implementing this policy by consolidating the analysis, working with the operational and functional departments to build action plans, and monitoring the implementation of these plans.

The process is presented annually to all Executive Committee members including the Chief Executive Officer and the Chief Financial Officer. Additionally, a quaterly presentation is made to the Executive Committee of the risk evolution and associated actions plans.

The Group updated its risk map in 2019. This revealed some major risks, which were assessed in terms of potential impact, the effectiveness of existing control measures and likelihood of occurrence. Action plans are defined and steered by the managers responsible for each risk, having been specifically tasked with control plans and actions designed to reduce risks.

The Audit and Finance Committee receives quarterly updates on risk management topics. A meeting is held once a year with the Audit and Finance Committee and the Statutory Auditors to discuss how risks are assessed and handled, and to review the Group's risk mapping and the related action plans.

To monitor the performance of the risk management process, the Board of Directors is informed by the Audit and Finance Committee of the main steps taken in risk monitoring.

Control activities

Control activities include the measures implemented to control risks and the risk-handling procedures and policies. A set of rules and procedures was gradually introduced for each executive, business or functional unit. These rules and procedures are regularly reviewed at the initiative of management, to take account of developments in the field and of the challenges faced by the Group.

The internal control manual, "Redbook V3.0", provides a detailed list of the control objectives to be achieved. A list of key controls to be implemented includes controls in place among all Group entities as well as controls specifically developed for activities in connection with terminals and payment services.

In 2019, the Risk Management Department formally documented the risk approach with a risk management policy. The aim of this project is to gradually redefine the range of key controls, so that they can be incorporated directly into the Group's rules and procedures, thus reinforcing their application on the ground by the first line of defense. From now on, the Internal Control Department, as the second line of defense, will regularly monitor the performance of these controls and will analyze their results, to give management a picture of the level of maturity of internal control within the Group.

Information and communication

Pertinent risk management information must be gathered and documented in a form that allows each relevant manager to be notified of the weaknesses identified while allowing them the time needed to take the necessary corrective actions.

Our information channels and organizational structure have been designed to make it easy for regional or business units to report any risk management weaknesses and share their best practices with all relevant managers.

Information and communication regarding risk management closely follow the Group's organizational structure, notably:

- budget control is ensured through monthly reporting on performance. Each region produces a report, which is consolidated centrally. The purpose of reporting is to track where sales and profits are being generated, analyze the resulting operating income and identify deviations from the budget;
- during periodic reviews, regional/country directors meet with the Executive Committee to analyze performance and operational issues requiring attention as well as the forecasts.

In addition, corporate functions are responsible for ensuring that the Group's business strategy is applied in their area of responsibility. As an example, the Operations Division ensures that production work is carried out in compliance with the standards set by the Group and handled by subcontractors that it has approved. The Marketing Division defines and validates the product and marketing policies adopted in the regions.

Internal Audit

The Group's Internal Audit Department carries out internal audits in all the Group's subsidiaries.

An internal audit plan is established each year, based on:

- the rotation of audit assignments, prioritized according to the risk attached to each entity and each process;
- the results of internal and external audits carried out in previous years;
- the risk mapping mentioned above;
- newly consolidated entities;
- large-scale projects and the main cross-functional processes;
- the operational activities of the Group's entities;
- risks identified during the year;
- new regulations to be covered;
- requests from the Executive Committee and the Chief Executive Officer.

In 2019, the Internal Audit Department carried out the audit plan approved by the Audit and Finance Committee. Audits are documented in reports that summarize the main findings and provide recommendations. Following approval by the audited entities and their management, these recommendations are turned into action plans. Every quarter, the Internal Audit, Risks and Compliance Department ensures the implementation of these corrective actions and prepares quarterly follow-up reports on the status of each point brought up by the audit, which are then presented to the Audit and Finance Committee of the Board of Directors.

The 2019 audit plan was as follows:

- 27 audits in subsidiaries, including 16 audits in regulated entities;
- 5 audits of cross-functional processes within the Group;
- 16 audits within the Payone Joint Venture;
- quarterly follow-ups on the implementation of action plans in respect of points raised by the audits.

These audits covered processes and entities representing around 61% of the Group's revenue (based on the revenue given in the rolling forecast). The work carried out in 2019 did not reveal any significant internal control weaknesses or deficiencies.

Internal Audit within the Payone Joint Venture

Following the integration of the Payone entity (Joint Venture - JV) into the Group's scope, an Internal Audit Department was created within the JV and the integration of this team into the Group's methodological framework is underway. The audit plan, the results of the audits and monitoring of the JV's internal audit activity are approved by the Risk, Audit and Compliance Committee for the JV and by Group Internal Audit. The department independently conducted 16 audits on the JV's processes. The work carried out in 2019 did not reveal any significant internal control weaknesses or deficiencies.

All the work and results are also covered by a report to the Audit and Finance Committee of the Group's Board of Directors.

The Group's Statutory Auditors are kept informed of all the work performed in the areas of permanent control, internal audit and risk management at regular meetings to strengthen the internal control and risk management system.

In 2019, the Group had approximately 28 specialized staff dedicated to risk management and internal audit. This number does not include the employees dedicated to managing operational risk in transaction entities.

1.3.3 Internal control procedures relating to the preparation and processing of accounting and financial information

Group financial policy

The Group applies a rigorous financial policy and is careful to ensure the soundness of its financial structure *via* three principles:

- maintain a healthy balance sheet and financial ratios;
- have a long-term financing strategy and sufficient liquidity to fund development, repay loans over the medium term, and pay dividends to shareholders;
- optimize the use of its shareholders' equity and have a level of solvency compatible with its strategic objectives.

Accounting and financial organization

In order to achieve complete transparency between operating departments and financial management and ensure that operations are reported to the fullest possible extent, the Group has adopted the following organization for its teams, resources and processes:

- Financial Controllers and Chief Financial Officers at subsidiaries report to the Regional Chief Financial Officers, who in turn report directly to the Chief Financial Officer of the Group or indirectly to the Group Chief Financial Officer through the chief financial officers of Business Units. Regular meetings of finance executives are held by the Group Finance Department;
- all the Group's main entities use the same accounting management system;
- the Group's chart of accounts is restated in line with IFRS, the basis for consolidation and reporting used by all Group entities.

This organization provides the accounting and financial function with all the data required to prepare the financial statements for the entire scope of operations.

Since 2015, the Accounting Standards and Processes Department is tasked with defining and circulating IFRS procedures. This department regularly updates the Group's accounting standards manual and relies on a network of local accountancy correspondents to ensure that accounting standards information is circulated properly. It also coordinates the implementation of new IFRS standards across the Group.

Accounting and financial information systems

As mentioned earlier, one of Ingenico Group's goals in recent years has been to standardize its information systems (SAP, BFC).

The management reporting format, the primary tool for analyzing the operational performance of entities, includes information on the financial position and on cash flows.

This enables a more detailed analysis of Group performance for each product or service line and prepares Ingenico Group for the future developments of its markets.

Financial information is generated from monthly closing data.

Disclosure of financial and accounting information

Financial and accounting information is not disclosed until it has been reviewed and approved by the Chief Financial Officer, the Audit and Finance committee and the Board of Directors.

The Company abides by a timetable of its accounting and financial disclosure and reporting obligations.

Internal control over finance

The following steps are taken to monitor the accuracy of financial data on an ongoing basis:

- controllers are regularly provided with instructions on budgetary implementation, reporting and consolidation worksheets and memoranda on changes in IFRS;
- each month, all legal entities and operating units are required to perform and report on a closing process, followed by consolidation. These reports enable the monthly changes to the Group's main operating indicators to be measured. Every month the Group uses the reports to carry out a detailed analysis of its performance (revenue, EBIT, EBITDA, free cash flow) at different levels (entity, region, Group). This process allows the Group to verify the correct financial rendering of its business activity and to identify any possible operating risks (*e.g.*, delays in accounts receivable, credit notes to be issued, litigation, surplus stock, etc.). The Group's cash position is also analyzed monthly;
- a tax reconciliation is carried out four times a year and a comprehensive review of the Group's major assets is performed every six months;
- all Group funding, hedging transactions, bank account openings and closures, bank account signing authorizations and the Group's cash pooling system are centralized under the responsibility of the Chief Financial Officer.

Internal control is a top priority for Ingenico Group, and works to develop the "control" culture accross all its entities throughout the world.

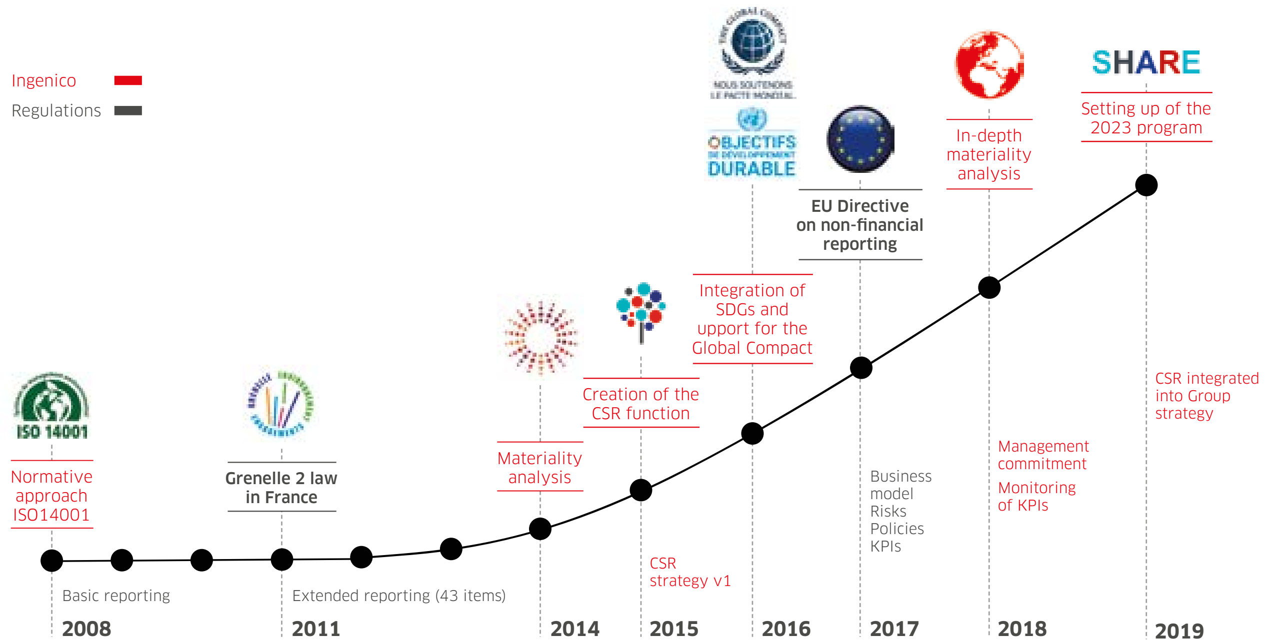
2

CORPORATE SOCIAL RESPONSIBILITY

2.1 CSR FOR INGENICO GROUP

Ingenico Group has been engaged for several years in a responsible approach, which took on fresh impetus in 2019 with the launch of the SHARE program aimed at steering its actions over a five-year period.

This program reflects the gradual integration of CSR into the Company's strategy and business model. We have therefore moved from a normative and regulatory compliance approach to a proactive one, a CSR of leadership supported by the Company's governance bodies, generating opportunities to improve the Group's overall competitiveness and performance.



2.1.1 Contextual analysis

2.1.1.1 Consideration of trends

Ingenico Group is aware that the world is changing and constantly evolving. Strong global trends are set to change our lifestyles and behaviors by 2030, including:

- a demographic explosion;
- accelerated urbanization;
- hyper-globalization;
- scaling up of innovation.

We are now in a new era in terms of trade, where payment methods are completely separated from the location where purchases are made. The payments sector is one of the fastest-growing sectors and is experiencing rapid change, driven by innovations in technology and operations.

These new technologies are changing the businesses and redrawing the map of established payment players, with the advent of new Fintech systems in response to emerging trends. This technological development also raises questions about the challenges associated with data protection and information system security. Potent threats are emerging (fraud, corruption, money laundering, cyberterrorism, and so on) that pose risks to the business model. It is also essential to prepare employees for the business lines of the future, by enhancing their skills and increasing their engagement.

Thanks to innovation, systems reliability and data security, Ingenico Group aims to be an integral part of the transformation in payment methods. Taking a forward-looking, future-oriented approach, the Group has analyzed the main impacts, risks and opportunities associated with its growing businesses. In this technological revolution, it aims to find new ways of bringing progress to bear that will maximize the positive, sustainable impacts for its stakeholders while reducing the drawbacks.

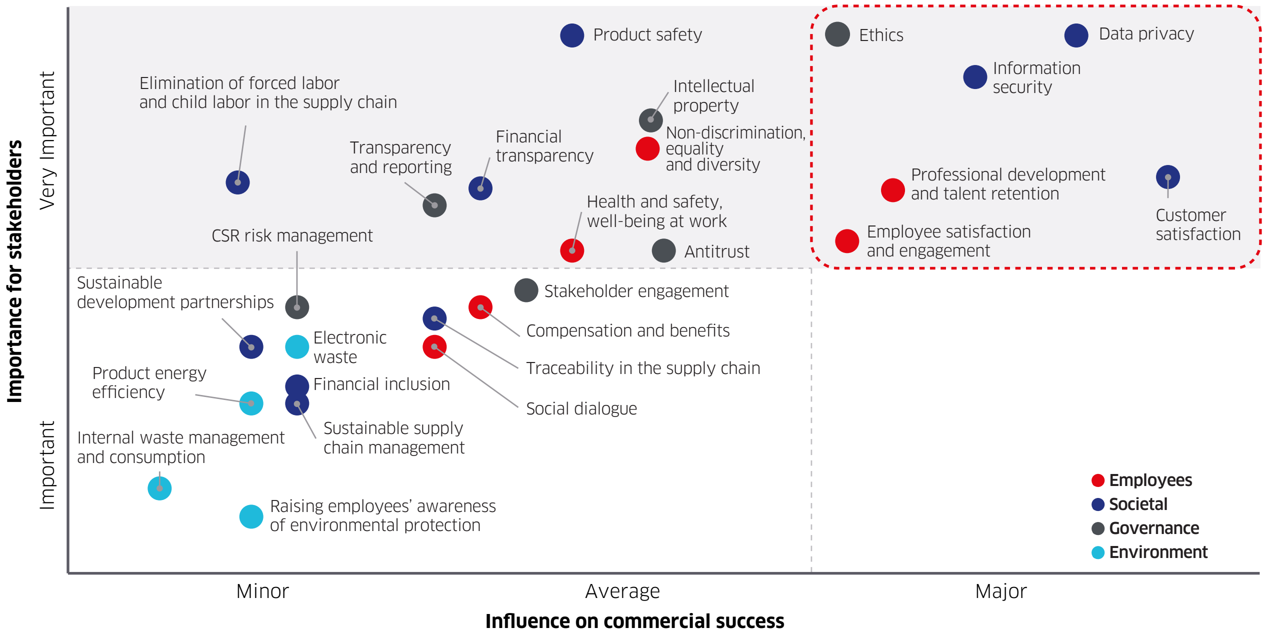
The Group's CSR approach follows the guidelines for its business model and lends its full support, both in terms of strengthening technological, industrial and human capabilities, and in developing innovative products that meet the needs of a more inclusive, more responsible and more sustainable society. Digital payments have the potential to change the lives of many people in developing countries, by providing financial services to unbanked populations. In a context where two billion people in the world are unbanked, more than half of them women, financial inclusion can make a vital contribution to achieving the United Nations Sustainable Development Goals (SDGs), by reducing poverty, hunger and gender inequality.

2.1.1.2 Materiality analysis

A materiality analysis was undertaken in 2018 as a result of responses to a survey of the Group's stakeholders that asked them to give their opinion on the importance of several social, societal, environmental and governance issues (for more details, please refer to section 2.1.4.3, "Stakeholder consultation"). At the same time, members of the Executive Committee assessed the impact of these issues on the commercial success of the Company.

The results of this analysis confirmed the importance of information security, data privacy and ethical matters. It also highlighted the importance of customer satisfaction and human resources issues (professional development and talent retention, and employee satisfaction and engagement).

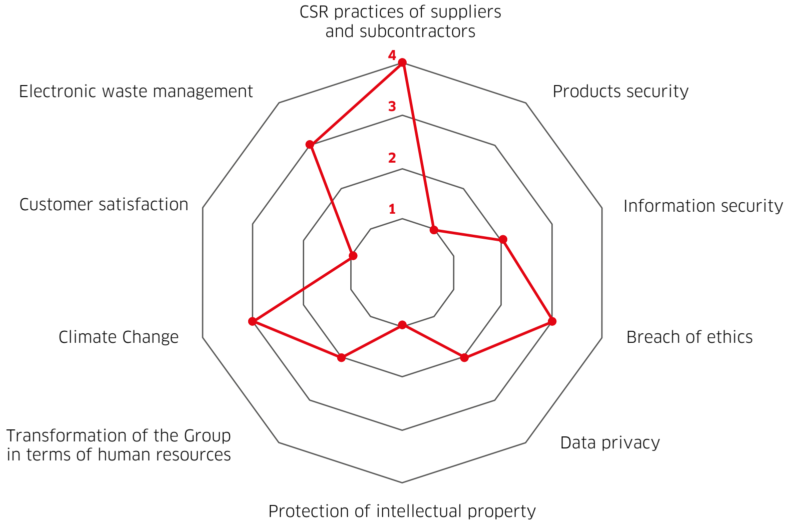
- **Main issues in terms of their importance for stakeholders and their influence on Ingenico Group's economic success**



2.1.1.3 Non-financial risks

The main social and environmental risks for stakeholders and for society at large are identified and prioritized through a mapping carried out jointly by the CSR and enterprise risk management departments of Ingenico Group.

The criticality of non-financial risks is determined according to the potential impact for the stakeholders and the probability of occurrence, which then makes it possible to prioritize them by giving an inherent risk before the implementation of the associated policies and actions of risk control. Non-financial risks are therefore prioritized according to the level of criticality (low/medium/high/major).



These non-financial risks have been included in the Group's risk mapping, the results of which are reflected in Chapter 1.2 entitled «Risk factors».

The materiality analysis presented in Chapter 2.1.1.2 and the mapping of non-financial risks are complementary approaches enabling Ingenico Group to identify the main opportunities to be seized as well as the main non-financial risks related to its activities. It is on this basis that it has developed its CSR strategy.

Summary of the material issues, non-financial risks and policies and actions implemented

Material issues	Non-financial risks	Policies and actions engaged
Elimination of forced labor and child labor in the supply chain Responsible supply chain management	Risks linked to the environmental and social practices of suppliers and subcontractors	Supplier risk mapping (See 2.4.8.1.2 Suppliers CSR risk mapping) Contractual requirements Assessment of suppliers' CSR performance Traceability of conflict minerals (See 2.4.8.3 Contractual obligations, evaluation and monitoring of suppliers)
Climate Change	Risks linked to climate change	Evaluation of greenhouse gas emissions Greenhouse gas emission reduction targets (See 2.5.3 Group greenhouse gas emissions)
Professional development and talent retention Employee satisfaction and engagement	Risks linked to the Group's transformation in terms of human resources	Ingenico University/LinkedIn Learning Training programs Retention of key talent (See Supporting skills development and 2.3.3.3 Talent retention) Employee satisfaction survey Engagement schemes available to employees (See 2.3.1.3 Strengthening employee engagement)
Product safety Electronic waste management	Risks related to the use and end of life of sold products	Environmental Regulatory watch (See 2.5.1.2 Compliance with applicable environmental regulations) Quality control procedure for terminals (See 2.4.6 Product safety) Collection systems for end-of-life terminals (See 2.5.2.2 Impacts linked to the products and services offered)
Ethics	Risk of unethical conduct	Code of ethics Gifts and hospitality policy Whistle-blowing system Conflict of interest questionnaire (See 2.4.1 Ethics and combating corruption)
Protection of intellectual property	Risks related to intellectual property	Monitoring of prior art claims on patents Use of specialist firms for intellectual property (See 2.4.4 Intellectual property)
Information security	Risks related to IT security	Compliance with the security standards developed by PCI SSC Regular intrusion and backup testing by the Ingenico ISD (See 2.4.5 Information security)
Data privacy	Risks related to personal data protection	Raising employee awareness of data privacy Compliance with GDPR obligations (See 2.4.3 Data privacy)
Customer satisfaction	Risk related to customer satisfaction	Customer satisfaction survey and associated action plans Ingage program (See 2.4.10.2 Customers)

2.1.2 Commitment

2.1.2.1 CSR charter

Aware of the importance of sustainable development issues and the growing expectations of its stakeholders in terms of social responsibility and its role in building the world of tomorrow, Ingenico Group has developed a CSR policy tailored to its business model and environment, as set out in Chapter 1 of its Universal Registration Document.

This CSR charter, shared with all Ingenico Group employees, mirrors its **SHARE** program and is based on five commitments, which they are invited to apply in their activities:

GOVERNANCE	Maintain responsible and ethical business practices Ingenico Group is committed to following the highest environmental, health, safety, labor conditions and social justice standards in its relationships with all its stakeholders and specifically through its supply chain management.
CORPORATE CITIZENSHIP	Ensure the best level of security and safety when using Ingenico Group solutions Protecting sensitive payment data is part of Ingenico Group's DNA. Ingenico Group also believes that the protection of personal data and respect for an individual's right to privacy are of utmost importance. The Group is dedicated to providing the most secure and safest payment solutions for its customers, their clients, its partners and other stakeholders.
	Grow in harmony with society Ingenico Group wants to grow its business in harmony with its ecosystem. Therefore, the Group strives to maintain regular and open dialogue with its stakeholders in order to foster collaborative innovation and meet the needs of local markets, with a specific focus on solutions with a positive impact that help to raise funds for charitable organizations or facilitate financial transparency and inclusion.
ENVIRONMENT	Control its environmental footprint Ingenico Group is committed to the development of payment services that have a low impact on the environment. The Group also strives to minimize the environmental footprint resulting from the operation of its facilities and its business activities.
EMPLOYEES	Develop a blooming Ingenico Group community Ingenico Group strives to provide a respectful workplace that is safe, open and inclusive. CSR contributes to the positive corporate culture that the Group wants to promote in order to enhance employee engagement, which is key to driving the Company's performance.

2.1.2.2 Other charters and policies

To cover the main non-financial risks identified by the Group (for more details, please refer to Chapter 1.2, "Risk factors"), the Group has implemented policies. Some are formally documented and accessible to its employees and, in some cases, to its external stakeholders on its website, ingenico.com:

- Group environmental policy;
- code of ethics and business conduct;
- gifts and hospitality policy;
- whistle-blowing policy;
- responsible purchasing policy;
- due diligence policy for external service providers;
- business continuity policy.

2.1.2.3 SHARE 2023 program

The analysis of trends in its ecosystem and its key issues has enabled the Group to refine its CSR strategy and to develop the SHARE program, an action plan for the 2023-time frame, which was the subject of a large-scale internal and external communication campaign in 2019. Through SHARE, Ingenico Group reflects its willingness to engage in an open and transparent manner on topics identified as a priority and grouped around four fields of action. It has specific and measurable objectives that are incorporated into the compensation criteria of the Group's executives, ensuring regular monitoring at the highest level.

GOVERNANCE AND MANAGEMENT

- Maintain the assessment of our CSR performance at Gold level (EcoVadis)
- Have our Code of Ethics acknowledged by 95% of our employees and (Tier 1) production suppliers
- Improve customer satisfaction with a Net Promoter Score (NPS) higher than 17.6 for Retail and 26 for B&A

EMPLOYEES

- Deploy the Ingenico leadership model with 80% of Group employees briefed
- Improve employee engagement with an eNPS higher than 8
- Improve the representation of women in the workforce (35%) and reflect diversity in managerial positions (30% women and 70% non-French)

SHARE

CORPORATE CITIZENSHIP

- Increase the annual volume of donations by 100% thanks to our solutions
- Assess the CSR performance of 80% of suppliers deemed to be at high and severe risk and implement corrective measures if necessary

ENVIRONMENT

- Offer end-of-life product recycling solutions in 75% of the countries where we are present
- Use renewable energies in 100% of European data centers for the Retail business

The progress of the different indicators is presented in the different sections of this statement on non-financial performance.

At the end of 2019, in addition to the renewal of the EcoVadis Gold status for the assessment of the Group's CSR performance, two 2023 objectives were reached and even overachieved: the acknowledgement of Ingenico Group's Code of Ethics by 100% of tier 1 production suppliers and the offer of end-of-life product recycling solutions in 81% of the countries where it is present.

2.1.2.4 Membership of recognized international initiatives

Ingenico Group supports international initiatives, abiding by and applying the guiding principles they promote.

2.1.2.4.1 Main reference frameworks

Reference frameworks	Ingenico Group commitment
United Nations Global Compact	Ingenico Group has supported the Global Compact since 2015. In 2019, it published its annual Global Compact report (Communication On Progress) at GC Advanced level.
United Nations Sustainable Development Goals (SDG)	Ingenico Group publishes its contribution to SDGs in its Universal Registration Document and on its website.
International Labour Organization (ILO) Universal Declaration of Human Rights	Ingenico Group applies the key principles of the ILO Tripartite Declaration and the Universal Declaration of Human Rights through the principles outlined in its code of ethics and business conduct.
OECD	Ingenico Group follows the OECD's tax guidelines, including those of the BEPS (base erosion and profit shifting) Project.

2.1.2.4.2 The United Nations Global Compact and Sustainable Development Goals

Ingenico Group's support for the United Nations Global Compact since 2015 reflects its commitment to sustainable development.

Launched in July 2000 by UN Secretary General Kofi Annan, the Global Compact is the world's largest corporate social responsibility initiative. As a supporter of the Global Compact, Ingenico Group is committed to respecting and promoting its ten core principles relating to human rights, labor standards, the environment, and the fight against corruption. Each year, Ingenico Group reports on the progress made in respecting and promoting each of the ten principles. In 2019, the Group once again published its annual report (Communication On Progress) at GC Advanced level, which corresponds to the highest reporting standard. This report is available on the Global Compact's website (www.unglobalcompact.org).

As part of this commitment, Ingenico Group decided to integrate the UN Sustainable Development Goals ("SDGs") into its CSR strategy in order for it to be part of this global movement. The survey conducted in 2018 with the Group's main stakeholders confirmed the importance of taking account of SDGs (for more details, please refer to section 2.1.4.3, "Stakeholder consultation").

The 17 SDGs, adopted in 2015 by the 193 member countries of the United Nations, make up the "2030 Agenda for Sustainable Development". These goals call for action among governments and civil society, but also among businesses, which are crucial partners in this initiative. (For more information on SDGs and their targets, please visit the United Nations website: https://www.un.org/sustainabledevelopment/).

Given its business activities, the Group contributes in particular to the following four SDGs:

In fact, through its solutions with a positive impact and its responsible purchasing policy applied to its supply chain, its financial inclusion solutions and the integration of social standards in the management of its supply chain, the Group encourages economic growth and the promotion of decent work (SDG 8).

Thanks to the deployment of an eco-design process for its terminals, the implementation of recycling solutions for end-of-life products and the use of renewable energies, preventive measures, recycling and waste disposal, as well as the development of an eco-design process for its terminals, it contributes to sustainable consumption and production (SDG 12).

By annually assessing the greenhouse gas emissions of its entire value chain, and in setting itself goals to reduce them and actions to achieve this, it contributes to the fight against climate change (SDG 13).

Ingenico Group participates in building effective and accountable institutions by promoting the transparency and traceability of financial transactions and by actively combating corruption, which is one of the foundations of the Group's Code of Ethics and Business Conduct (SDG 16).

More broadly, Ingenico Group contributes both directly and indirectly to 14 SDGs and to 26 of their targets, as illustrated by the diagram below.

Contribution of Ingenico Group to SDGs and their targets[(1)] across the value chain

(1) More information on the 17 SDGs and their 169 targets can be found at the following address: https://sustainabledevelopment.un.org/content/documents/21252030%20Agenda%20for%20Sustainable%20Development%20web.pdf.

SDGs are also the subject of a dedicated page on the Group's website.

To strengthen its impact, Ingenico has developed **SHARE**, its CSR program, drawing upon the United Nations Sustainable Development Goals to ensure that it has the appropriate effects and addresses the challenges facing the world.

2.1.3 CSR Organization and Governance

To provide a structure for its overall approach in terms of CSR, Ingenico Group set up a dedicated department that coordinates the Group's main activities in this area. The department is attached to the Strategy and Transformation Division, which has direct representation on the Group's Executive Committee. It draws on an ad hoc basis upon business experts from the main departments with a stake in environmental, social and societal topics: Human Resources, Communication, Innovation, Strategy, Compliance, Purchasing, Quality, Operations, etc. Together, they are responsible for driving the implementation of Ingenico Group's CSR strategy.

All internal and external stakeholders in the Group can contact the CSR Department by e-mail at csr@ingenico.com.

In addition to the CSR Core Team, a network of some 20 ambassadors was set up in the Group's main entities at the end of 2019. Their role is to inform employees about the Group's CSR approach, promote it and manage local implementation of the **SHARE** program.

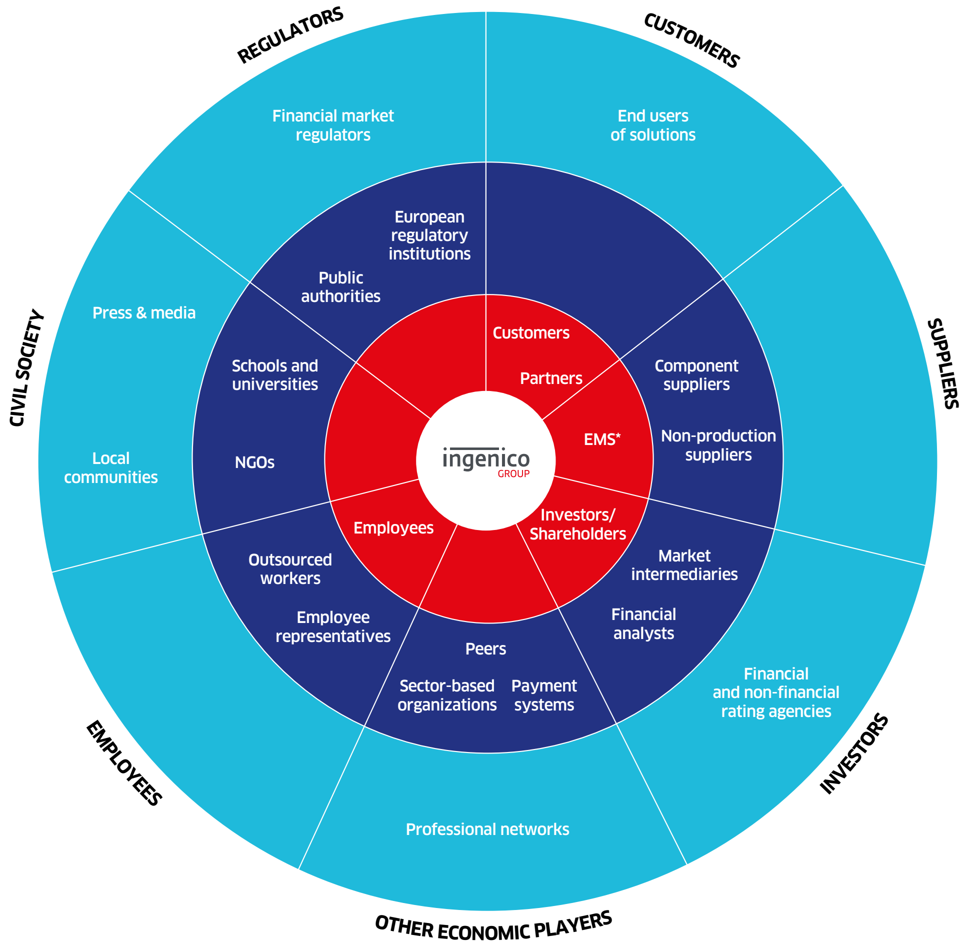
- **A new network of CSR Ambassadors**

With regard to the Group's governance bodies, CSR is regularly monitored by the Executive Committee and by the Board of Directors. As with ethics, it is now one of the subjects covered by the Compensation, Appointments and Governance Committee.

2.1.4 Stakeholder engagement

2.1.4.1 Stakeholder mapping

Ingenico Group's various stakeholders are represented on the mapping below. They are grouped by broad categories and positioned according to their degree of proximity to the Group.



EMS*: terminal assembly subcontractors

Ingenico Group strives to maintain an open, transparent and regular dialogue with each of them.

2.1.4.2 Methods of stakeholder dialogue

Stakeholders	Communication channels
Customers	Trade shows for Fintech and the payments sector, satisfaction surveys, after-sales service
Employees	Skyway Intranet, satisfaction surveys, announcements, performance reviews
Suppliers	Self-assessment questionnaires, audits, assessment through the EcoVadis platform, e-mail guidelines
Investors	Telephone conferences, investor meetings, roadshows, general meetings
Other economic players	Working groups, participation in charitable activities, round tables, presence on governance bodies
Civil society	Press releases, voluntary work, events, collections
Regulators	Regular direct contact

The Group's interactions with its stakeholders are detailed in Chapter 2.4.10, "Mobilization of stakeholders through ongoing dialogue".

2.1.4.3 Stakeholder consultation

In 2018, Ingenico Group conducted a global survey of its key stakeholders (employees, customers, suppliers, investors and partners) in order to gain a better understanding of their expectations in terms of CSR governance. The 1,200 responses received enabled the Group to assess the importance of its various issues in the eyes of its stakeholders and to draw the following main lessons:

- all stakeholders expect the Group to deal with CSR matters. Taking account of CSR is considered important or very important by 84% of stakeholders, some of whom believe that Ingenico Group must "lead by example in the market" and set itself "ambitious goals and achievements";
- furthermore, the Group must increase the level of communication about its CSR policy and action undertaken. In fact, these are areas that are still unclear for the majority of stakeholders who would like "greater visibility in all countries of operation" and "to be able to share information on CSR with the end users of solutions";
- lastly, for most of the parties surveyed it is also important that the Group strategy be in line with the UN Sustainable Development Goals.

These results were taken into account in developing the **SHARE** program and the associated communication strategy.

2.1.5 Performance

2.1.5.1 Main monitoring indicators

PEOPLE

8,669 employees, **96%** of whom are permanent employees

16 training hours per employee, on average

15.2% of women in managerial positions

92% of employees having access to LinkedIn Learning

78% participation rate in the People IN! survey

31.6% of women in total workforce

CORPORATE CITIZENSHIP

78% of strategic components suppliers assessed on their CSR performance

19.5 million transactions that resulted in the collection of **€173.4 M** in charity donations

70% of new employees who signed the code of ethics on their arrival

100% of Ingenico components suppliers assessed on the source of minerals used

Net Promoter Score for employees (eNPS): **-8.6**

ENVIRONMENT

18,005.1 MWh of electricity consumed of which **8%** from renewable sources

377.9 tons of end-of-life terminals collected and treated

27.1 kgCO_2e per installed terminal

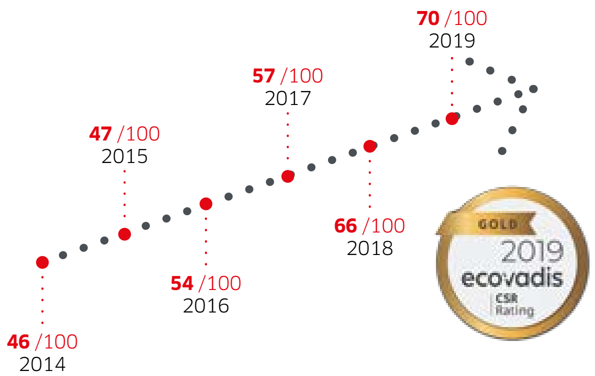
80% of data centers in Europe use electricity from renewable sources

81% of countries where the Group is present have a recycling program for end-of-life terminals

2.1.5.2 External assessments

EcoVadis assessment

To ensure a more effective response to the growing number of requests for information on CSR-related issues from prospective and existing customers, since 2014 the Group has been assessed by EcoVadis, a platform that specializes in evaluating the CSR performance of suppliers. Up by 4 points, with an overall score of 70 out of 100 in 2019, Ingenico Group is among the top 3% of companies assessed by EcoVadis in its sector. It also won recognition for its CSR commitment, achieving the Gold standard for the second time running.



SRI Indices[1]

Ingenico Group is included in the following SRI indices:

- Euronext Vigeo Eurozone 120;
- Euronext Vigeo Europe 120;
- Dow Jones Sustainability Europe;
- Ethibel Sustainability Excellence Europe;

These indices identify the companies with the best performance in terms of ESG (Environment, Social and Governance). Ingenico Group's inclusion rewards its commitment to sustainable development and its work in the area of CSR transparency.

2.2 REPORTING SCOPE AND METHOD

2.2.1 Non-financial reporting protocol

The non-financial reporting process is described in an internal document entitled "2019 CSR Reporting Protocol". This protocol presents the non-financial reporting context and objectives, as well as the corresponding organization put in place by Ingenico Group. The description of the non-financial reporting process includes a definition of the time frame, the scope, the levels of responsibility and control, as well as definitions, examples and various guidelines making it easier to understand the information that is expected for each indicator.

This report, which concerns the financial year ended December 31, 2019, presents information on the environmental, social and societal impacts of Ingenico Group entities' business. In line with the Group's desire to improve the transparency of its operations and its commitment to corporate responsibility, the non-financial reporting scope is identical to the financial reporting scope and its methodological limitations are presented below. The report includes all entities acquired before the second half of 2019 that are more than 50%-owned by Ingenico Group for its social and societal reporting, and sites with more than 15 internal employees for environmental reporting (employees on permanent, fixed-term, apprenticeship or work/study contracts). Data related to the workforce, training, absenteeism, accidents at work and occupational illnesses, teleworking and pay are, however, provided for all Group entities, including those with 15 or fewer employees.

The terms "the Group" and "Ingenico Group" refer to all entities incorporated within the scope of this report.

The 2019 CSR reporting scope covers 44 countries: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Costa Rica, Czech Republic, Denmark, Finland, France, Germany, Hungary, India, Indonesia, Italy, Japan, Malaysia, Malta, Mexico, Morocco, the Netherlands, New Zealand, Norway, the Philippines, Poland, Portugal, Russia, Serbia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, the United Kingdom, the United States and Vietnam.

The coverage rates for the various types of indicators is specified below:

- social indicators related to the workforce training, absenteeism, accidents at work and occupational illnesses, teleworking and pay: 100% of Ingenico Group's workforce;
- social indicators related to employee turnover: 91% of Ingenico Group's workforce;
- other social indicators: more than 98% of the workforce and more than 96% of Ingenico Group's revenue;
- environmental indicators: 94% of Ingenico Group's workforce;
- assessment of greenhouse gas emissions: 100% of Ingenico Group's workforce.

The exclusions are specified in section 2.2.3.2 for social data and in section 2.2.4.2 for environmental data.

The scope of publication of the indicators "Share of component suppliers with high and severe risks assessed on their CSR performance" and "Share of strategic component suppliers

(1) *SRI: Socially Responsible Investment.*

assessed on their CSR performance" does not include Ingenico Group's activities in China.

Ingenico Group's non-financial reporting is managed by a project team that draws on a network of more than 70 contributors throughout the Group's various entities. The majority of the data is collected using questionnaires *via* a dedicated online interface. This information is supplemented with data from the HR reporting system for the social section, data from environmental reporting and greenhouse gas emissions analysis for the environmental section, and information obtained through interviews or individual discussions. Data provided by the different contributors is then consolidated at Group level.

In accordance with the regulatory requirements arising from the transposition of the European Non-Financial Reporting Directive, Ingenico Group's business model and the main risks related to its activities are set out in Chapter 1 of the 2019 Universal Registration Document and further detail is given in Chapter 2. The policies adopted and the due diligence procedures implemented to prevent, identify and mitigate the occurrence of the main risks, together with the results of these policies, are set out in this chapter. Where relevant, the report includes the information required by Article R. 225-105 of the French Commercial Code. However, the report does not cover the topics of the fight against food insecurity, the fight against food waste, respect for animal welfare or sustainable food production as set out in Article L. 225-102-1 of the French Commercial Code because these subjects are not considered relevant. In fact, given the nature of its business, these issues do not involve Ingenico Group at all, or do so to only a very limited degree.

The same report has been made in 2018, the document is available on Ingenico's website since the April 24, 2018.

2.2.2 Declaration of compliance with the GRI

The GRI (Global Reporting Initiative) sets out a framework of indicators that measure the progress of companies' sustainable development programs and its guidelines are essential to high-quality CSR reporting. To ensure that its quality assurance process meets the expectations of the GRI, Ingenico Group is working with MATERIALITY-Reporting, the GRI's DATA PARTNER for France, to ensure that the tests set out for each principle are applied.

The Group's report has been prepared in compliance with the GRI standards: CORE COMPLIANCE.

The GRI content index can be found on page 314.

2.2.3 Social reporting

2.2.3.1 Definitions

Workforce

There are seven types of contracts:

- permanent employees: employees on an open-ended employment contract with Ingenico Group, whose salary is ascertained *via* an Ingenico Group pay slip;
- fixed-term employees: employees on an Ingenico Group employment contract with a specified beginning and end date, whose salary is ascertained *via* an Ingenico Group pay slip;
- employees on an apprenticeship contract or undergoing professional training: this type of contract is reserved for students following a guided training program with a tripartite agreement (student, university and Ingenico Group). These apprentices have a fixed period indicated in their contract (from 9 to 24 months). Their salary is defined in the tripartite agreement and integrated in the Ingenico Group payroll system.

  In this report, they are not included in the Group's workforce;
- employees under VIE (*volontariat international en entreprise* – international corporate volunteer program): persons aged 18 to 28 who have signed a contract to carry out an assignment in a French company abroad.

  In this report, they are not included in the Group's workforce;
- interns: this category corresponds to students who need to complete a period of training in order to obtain or validate a diploma. During this time, they acquire experience under the management of an internship mentor. Students/interns are hired under a tripartite agreement (student, university and Ingenico Group) for a short term specified in the contract (from 3 to 9 months). If paid, their remuneration is defined by Ingenico Group and included in the Company payroll system.

  In this report, they are not included in the Group's workforce;
- temporary workers: persons who are physically present at Ingenico Group offices but have been supplied by an outside company for a short and predetermined time period to replace an Ingenico Group employee;
- outsourced workers: persons who are physically present at Ingenico Group offices but have been provided by an outside company for a predefined service and time period established by a contract with Ingenico Group.

Layoffs

Individual and collective layoffs are reported by the different Group entities according to local regulations.

Training

Training refers to all types of training, certified or otherwise, organized by the Company or by external providers. In 2019, e-learning has been taken into account in training.

Absenteeism

Absenteeism refers to cases when employees are absent from the workplace due to being incapacitated. This definition does not include authorized absences, such as paid leave, public holidays, maternity or paternity leave, study-related leave, or leave for family reasons.

However, the following absences fall within the scope of absenteeism:

- absences due to ordinary illness;
- absences following an occupational accident;
- absences following a commuting accident;
- absences due to occupational illness;
- unjustified absences.

The absenteeism rate is a ratio that can be expressed as:

$$\frac{\textbf{Number of days of absence during a given time frame x 100}}{\textbf{Number of scheduled workdays during that same time frame x Number of full-time equivalent employees}}$$

To standardize calculations at Group level, it is agreed that the absenteeism rate is calculated based on an average monthly work period of 21 days.

Telecommuting

Telecommuting, or remote working, is an arrangement in which employees do not commute to a central place of work. This report only takes into account remote working hours that have been agreed in an amendment to an employment contract.

Part-time work

Part-time refers to cases when employees work for less than the statutory or standard working hours. The FTE (full-time equivalent) is calculated by dividing the actual hours worked by the total number of statutory working hours, in accordance with the laws defined by a country's government. This information is included in the work contracts of the relevant employees.

2.2.3.2 Reporting scope

The social reporting scope includes all entities that are more than 50%-owned by Ingenico Group. The countries covered are listed in section 2.2.1.

However, data could not be provided by certain entities for the indicators below.

Indicator	Exclusions
Number of hours of training	France (Think & Go), New Zealand (Bambora New Zealand Ltd), Austria (e-Commerce Solutions GmbH), Australia (GC Services Australia Pty), South Africa (Ingenico South Africa Pty) (0.2% of the workforce as of December 31, 2019)
Absenteeism	New Zealand (Bambora New Zealand Ltd), Austria (e-Commerce Solutions GmbH), Australia (GC Services Australia Pty), South Africa (Ingenico South Africa Pty) (0.1% of the workforce as of December 31, 2019)
Number of occupational accidents and illnesses	Netherlands (GC Services B.V.excluding only occupational diseases), Russia (Ingenico Payment Systems), New Zealand (Bambora New Zealand Ltd), Austria (e-Commerce Solutions GmbH), Australia (GC Services Australia Pty), South Africa (Ingenico South Africa Pty) (7% of the workforce as of December 31, 2019)
Telecommuting	New Zealand (Bambora New Zealand Ltd), Austria (e-Commerce Solutions GmbH), Australia (GC Services Australia Pty), South Africa (Ingenico South Africa Pty) (0.1% of the workforce as of December 31, 2019)
Employee turnover (hiring and departures)	Germany, Austria, United Kingdom, France (BS Payone GmbH) (9% of the workforce as of December 31, 2019)

2.2.4 Environmental reporting

2.2.4.1 Definitions

The greenhouse gas (GHG) emissions generated directly or indirectly by an entity can be classified into different categories of emissions, known as "scopes":

- Scope 1: direct GHG emissions from the combustion of fossil fuels for facilities and vehicles that are owned or controlled by the Company;
- Scope 2: indirect GHG emissions caused by the purchase of electricity, refrigeration, heating or steam needed for the Company's activities;
- Scope 3: indirect GHG emissions related to business activities such as the purchase of raw materials, employee travel, transport of goods by external providers, or the use of products by customers.

The amount of end-of-life products (WEEE – Waste electrical and electronic equipment) collected and treated refers to the weight of waste produced by end-of-life terminals or spare parts collected from customers or the Group's repair centers for sorting, recycling, recovery, or destruction of the various components.

2.2.4.2 Reporting scope

The environmental reporting scope covers sites with more than 15 employees located in 32 countries. The countries excluded from the list in paragraph 2.2.1.due to the absence of sites with more than fifteen people are the following: Austria, Chile, Costa Rica, Czech Republic, Hungary, Malta, Morocco, Poland, Portugal, Serbia, South Africa and Vietnam.

In China, only the six largest sites representing 77% of the workforce of Fujian Landi are included in the environmental reporting scope. Four sites with more than 15 employees are excluded from the reporting scope.

The countries concerned by the indicator relating to the consumption of natural gas are Germany, Belgium, Canada, Denmark, the United States, Italy, Norway, the Netherlands, the United Kingdom, Switzerland, and Turkey. The Group entities based in other countries do not have installations that require the consumption of natural gas.

The list of countries concerned by the indicator relating to the quantities of end-of-life products (WEEE) collected is: Australia, Brazil, Canada, China, France, Germany, India, Italy, Malaysia, Mexico, Singapore, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom.

The indicator concerning the coverage rate of end-of-life terminal recycling solutions only concerns countries where a B&A entity with more than 15 employees is present.

The indicators to which these exclusions apply are listed below. Data related to water consumption are not available on sites that have not been fitted with water meters, and for which water consumption is billed as part of an invoice for all expenses.

Indicator	Exclusions
Water consumption	China (Fujian Landi excluding Beijing, Chongqing, Fuzhou, Ji Nan, Shanghai and Xiamen); United States, China and Singapore (Global Collect); Finland; Japan and Singapore (4.3% of workforce at December 31, 2019)
Electricity consumption	China (Fujian Landi excluding Beijing, Chongqing, Fuzhou, Ji Nan, Shanghai and Xiamen); United States and Singapore (Global Collect) (2.4% of the workforce at December 31, 2019)
Paper consumption	China (Fujian Landi excluding Beijing, Chongqing, Fuzhou, Ji Nan, Shanghai and Xiamen) and Singapore (Global Collect) (1.9% of the workforce at December 31, 2019)

All indicators are published according to the scope defined for the reporting year on a like-for-like basis to enable data to be compared from one year to the next.

2.2.4.3 Accounting for greenhouse gas (GHG) emissions

2.2.4.3.1 Methodology

The methodology used to calculate greenhouse gas or "GHG" emissions across Ingenico Group's entire value chain is based on the GHG Protocol's international accounting standard. The emission sources included in the calculation of GHG emissions are listed in section 2.5.3, entitled "Group greenhouse gas emissions".

The following assumptions are used to calculate GHG emissions:

Energy consumption of buildings and employee business travel

Direct emissions (Scope 1) associated with natural gas are calculated on the basis of information reported by entities with more than 15 employees and which use this resource, namely: Germany, Belgium, Canada, Denmark, the United States, Italy, the Netherlands, Norway, the United Kingdom, Switzerland and Turkey.

Indirect emissions (Scope 2) associated with the production and distribution of the electricity used by the Group are calculated on the scope of the 32 countries listed previously. If a Group entity only partially occupies a building (alongside other companies) and does not directly purchase the energy it consumes, the share allocated to Ingenico Group is estimated in proportion to the floor area it occupies.

The distances flown (Scope 3) by employees based in Australia, Belgium, China (except Landi), France, Germany, Italy, the Netherlands, Poland, the United Kingdom and Singapore are provided by the travel agency with which the Group has a partnership. Journeys are classified into three categories: short-, mid- and long-distance. For each distance, the class of travel is also identified (economy, business, first and premium), so that an emissions factor specific to the class of travel can be used.

Data regarding train travel (Scope 3) is provided by train companies or travel agencies. Distances traveled by train are currently available for entities in Belgium, France, Germany, India, the Netherlands and Sweden.

Direct emissions (Scope 1) associated with the fuel consumed by vehicles owned or under the operational control of the Group are calculated on the scope of business of entities located in Belgium, France, Germany, India, the Netherlands and Taiwan. The data collected relates directly to fuel consumption or to associated costs. In the second case, fuel consumption is estimated on the basis of the average cost of the fuel (diesel and petrol).

Other business travel includes the following modes of transport: taxis, rented cars and employees' own vehicles (Scope 3). For taxis, the raw data collected relates either to expenses, or to distances traveled. In the first case, the distance traveled is estimated on the basis of an average cost (euros/km). Car rentals are managed by one agency, which provides a report of the total distance traveled. For travel using employees' own vehicles, the distance traveled in km is collected directly (on the basis of expense claims).

GHG emissions associated with business travel for the other Group entities are extrapolated in proportion to the workforce.

Production of terminals, including the production and transportation of raw materials

GHG emissions associated with component production (Scope 3) have been estimated on the basis of the average weight of the main components representing more than 90% of the total weight of terminals (plastics, printed circuit board, printer, display, cables, battery, keyboard, packaging, thermal paper, and user guide). Measurements have been taken for the four most representative terminals (in terms of volume on 2019) then extrapolated based on the total quantities manufactured in 2019.

Transportation of the nine main components is taken into account when assessing the impact of transporting components between suppliers and assembly plants (Scope 3): plastics, printed circuit board, printer, display, battery, cables, power supply, keyboard, and packaging. For each component, the main suppliers' plants are identified, and the transportation distances are then estimated. The transported weight of each component is estimated on the basis of an average weight per terminal multiplied by the total number of terminals manufactured by each assembly site. The transported tons/km are calculated for each mode of transport.

GHG emissions associated with the activities of the terminal assembly plants (Scope 3) have been calculated on the basis of information provided by the facilities in Brazil and in Vietnam. They include total energy consumed, refrigerant gas emissions and on-site transportation. The contribution associated with Ingenico Group business is estimated using a surface area ratio (surface area dedicated to the manufacture of terminals/total surface area). GHG emissions associated with assembly plants located in China are extrapolated on the basis of production volumes. According to the cessation of activity during the year with assemblers located in Malaysia and Russia, the 2019 data have been extrapolated based on production volumes and data carried over to 2018.

Transportation of terminals from assembly plants to customers

International transportation from assembly plants is by air and sea (Scope 3). Detailed information (quantity, weight, distances) is provided by the two service providers with which Ingenico Group works. GHG emissions are calculated on the basis of the tons/km of terminals dispatched from assembly plants.

To calculate the GHG emissions associated with energy consumption at the storage sites (Scope 3), a consumption ratio in kWh/m² is calculated using the information obtained for two storage sites (in France and the United Kingdom). This ratio is used to calculate the electricity consumption of all storage sites worldwide on the basis of the storage surface area occupied.

In terms of delivery to customers (Scope 3), flows are analyzed using the data provided from France and the United Kingdom. In the first case, information on tons/km is provided by the road haulage company. For terminals dispatched from the United Kingdom, the quantity of terminals dispatched by country is used, together with the type of transportation (air or road). Based on this information, the tons/km by type of transportation are estimated and used to assess GHG emissions. Emissions associated with the delivery of terminals to other countries in which the Group markets its products are assessed on the basis of the number of terminals sold by country, an average national distance and a ratio in $kgCO_2e$/terminal delivered, calculated using data from France and the United Kingdom.

Use of terminals and services provided by the Group

The in-service terminal population is estimated on the basis of the volumes of terminals sold over the last five years (with the average useful life of a terminal estimated at five years). GHG emissions associated with terminal energy consumption (Scope 3) are estimated on the basis of the confirmed energy consumption of three of the most representative terminals in term of presence in the 2019 installed base (one Countertop, one Wireless and one Pinpad). Energy consumption and the associated GHG emissions are calculated on the basis of usage scenarios for each type of terminal (number of days' use per year, average number of transactions per day, etc.). The data are then extrapolated on the basis of the total number of terminals installed in 2019.

To calculate the GHG emissions associated with the data centers used by the Group (Scope 3), electrical consumption for each data center is either reported by the service provider (in kWh) or estimated by multiplying the contractual kVA (theoretical maximum capacity) by the estimated operating time. This includes the power used by electrical equipment and cooling systems.

GHG emissions associated with the printing of payment receipts (Scope 3) are estimated on the basis of the number of terminals in the terminal population that are equipped with printers, a usage scenario and the average weight of a roll of thermal paper. GHG emissions associated with the production and transportation (average distance) of thermal paper to users is estimated using these quantities.

Maintenance of terminals

To calculate GHG emissions associated with maintenance (Scope 3), the transportation of terminals between maintenance centers and customers and the energy consumption of product maintenance centers in France, Italy and the United Kingdom are analyzed. It is assumed that nearly all transportation of defective terminals takes place by road from France, Italy and the United Kingdom to maintenance centers located in these same countries. In fact, only a fraction of the defective terminals from the French market are transported by air to the United Kingdom maintenance center. An average national distance is used for road haulage and GHG emissions are estimated on the basis of the volumes of terminals sent to maintenance centers in these three markets, before being extrapolated on the basis of the volumes of terminals sent to maintenance centers worldwide.

The electricity and natural gas consumption (Scopes 1 and 2) of the repair centers in Italy and the United Kingdom is used to calculate GHG emissions and thereby derive a standard value in $kgCO_2e$/repaired terminal. This value is then used to calculate global GHG emissions, based on the total number of terminals repaired by the Group's maintenance centers worldwide.

Processing of end-of-life terminals

To determine GHG emissions associated with the processing of end-of-life terminals (Scope 3), the procedure for collection and processing in France was analyzed. In 2019, a partner was appointed to manage the transportation and processing of waste from terminals. This analysis includes transportation to the processing centers, then the processing of waste electronic and electrical equipment. The data were obtained by the recycling partner for the period from January 1, 2019 to November 21, 2019. The data for the rest of the year up to December 31, 2019 have been extrapolated on the basis of the quantities carried over to the same period of the previous year. The study does not include emissions from processing waste that are managed directly by customers.

The number of tons/km transported is calculated on the basis of the quantities received and processed by the partner in France and an average national distance. Emissions associated with transportation are extrapolated from the number of terminals collected and processed in countries in which Ingenico Group has set up a recycling scheme.

The calculation of emissions generated by processing terminals is based on the information provided by the recycling service provider in France. The type of processing (recycling of materials, energy recovery, disposal) was identified for each type of component (metals, plastics, printed circuit boards, cables, etc.). In order to extrapolate these emissions for the Group, it is assumed that all of the Group's waste processing procedures are similar to those in France, upon which the analysis was conducted. Group emissions are then extrapolated on the basis of the volumes of terminals that are collected and recycled worldwide. Terminals that are not collected and processed by an Ingenico Group recycling scheme are assumed to have been disposed of without processing or recycling.

2.2.4.3.2 Data and emission factors used

The GHG emissions assessment was carried out using the data collected for 2019. However, for some data, extrapolations were made on the basis of the 2018 data. These extrapolations represent less than 2% of the GHG emissions assessed in 2019.

The emission factors used to quantify the GHG emissions come primarily from two sources: the GHG Protocol, particularly for business and international travel; and the Base Carbone® database produced by ADEME (the French Environment and Energy Management Agency) for the energy consumption of terminals, the impact of thermal paper and a portion of the component production. The emission factors from the Ecoinvent database (EI 3.1) were also used for the portion related to component production.

2.3 THE INGENICO GROUP COMMUNITY

- **Key indicators 2019**

8,669 employees, **96%** of whom are permanent employees	**16 training hours** per employee, on average	**15.2%** of women in managerial positions	**92%** of employees having access to LinkedIn Learning	**78%** participation rate in the People IN! survey	**31.6%** of women in total workforce

As a major player in the new world of commerce, Ingenico Group aims to attract, retain and develop the best talent, while promoting diversity within its workforce. The Group has expanded considerably through external growth in recent years, and it is crucial that the teams resulting from acquisitions are well integrated. Faced with these challenges, Ingenico Group has continued to implement its HR strategy initiated in 2018 and carried on with its efforts in terms of:

- professional development and talent retention;
- employee engagement;
- diversity and gender equality;
- health, safety and well-being at work.

2.3.1 HR strategy

To be recognized as a reference employer, Ingenico Group has continued to implement its HR strategy, based on three pillars:

- strengthening HR fundamentals by providing a clear, structured and well-aligned offering within the Group;
- developing the skills to manage transformation;
- improving the engagement of all employees.

As part of this strategy, a number of global initiatives and work programs were launched in 2019.

2.3.1.1 A new HR dynamic

Ingenico Group's HR strategy aims to align and optimize the human resources function within the Group while maintaining its focus on corporate requirements. It involves a clear, structured HR offering aligned within the different Group entities, which revolves around a number of fundamentals implemented in 2018 and that were continued throughout 2019.

To succeed, the Group relies on a strong vision, which focused on the following priorities: employee engagement, the development of skills to manage transformation, and strengthening the HR function. In 2019, the organization of the HR function was revised to meet this vision. The organization will be put in place gradually over the next two years.

2.3.1.2 Supporting the development of skills

An exemplary leadership: the leadership model

At the end of 2018, a new leadership model was built, mobilizing more than sixty managers and employees around the world. This model was widely communicated and was rolled out in 2019. It applies to all employees and is based on five key behaviors [Think Customer, Focus Forward, Inspire, Team-Up, Drive], detailing three levels of maturity for each behavior. The leadership model is intended to inspire each employee, to develop a culture derived from shared values and to foster dialogue on performance and development.

Ingenico Group's leadership model is now integrated into all performance and talent management processes. This model will continue to be rolled out in 2020.

As part of its **SHARE** program launched in 2019, Ingenico Group has set itself a goal for the professional development of its employees.

2023 objective	2018 reference	2019 objective	2019 status
Group-level leadership model deployed with 80% of employees aware	Model deployed in 2019	30%	52%

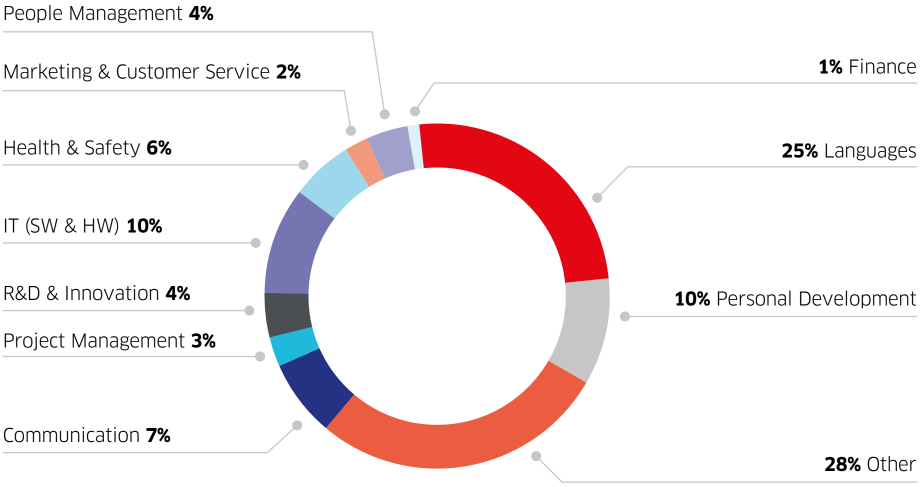
Professional development and career path management

To maintain its leadership in a constantly changing sector, Ingenico Group places skills development at the heart of its Human Resources policy.

In 2019, a new "Organization and Talent Development" function was created. Its mission is to implement a common talent management policy, to promote a holistic approach to skills and career development, to offer common training to all entities, and to provide more effective career guidance.

Training topics in 2019

In 2019, the Group continued its training initiatives in all its business areas. A total of 88,329 training hours were delivered to employees in Group entities (53,926 in 2018 and 80,424 in 2017). The average number of face-to-face training hours per employee was 10 hours in 2019.



The most popular training topics were languages trainings, personal development and IT trainings.

In addition to those, some entities have set up specific training courses:

- within the Australian entity, training on the audit and the sales force;
- in Australia and the United Kingdom, training on new tools;
- in Mexico and Thailand, language training courses.

In e-commerce entities, a pilot training course called "Manager Bootcamp" was launched in 2019, with the aim of informing new managers of the main HR, process and skills guidelines that the Group expects them to observe.

Ingenico University

Launched in 2015, Ingenico Group's Ingenico University learning platform continues to develop so as to provide the Group's employees with the best possible support toward meeting their training needs. The catalog of digital training materials continues to grow, with 14 Group learnings, including training on its businesses, solutions, strategy, and on payment.

As of December 31, 2019, of the 7,714 employees with access to Ingenico University and 98% of these trainings were followed until the end. The most popular training courses this year cover security of information, data privacy or personal development.

The average number of learning training hours per employee was six hours in 2019.

In addition to the programs deployed at Group level, some entities have also set up training policies at their own level. Landi in China offers an annual training plan or access to various online courses. In India, in addition to regulatory training, various programs are also offered to promote the development of general skills, called "Pillar Programme". In France, managers provide feedback in a survey each year on the training needs of their teams, which are then combined and prioritized to offer training that best meets the needs of employees. In May 2018, a significant portion of the Bambora (Sweden) entity budget was also allocated to the implementation of a training platform called "Bambora Academy".

Learning Week

In 2019, the Group acquired a LinkedIn Learning license, which is available to all Ingenico employees and is valid for three years. Thanks to this new tool, Ingenico Group launched a new global training initiative, by offering all its employees the option of attending online sessions: "Learning Weeks".

The first LinkedIn Learning edition Week took place in July 2019, with a specific focus on the main areas of the Group's leadership model (see Chapter 2.3.1.3, "Strengthening employee engagement"). Each day was therefore devoted to a behavior presented in this model.

The second edition was held in November 2019, on the theme of security in the world of payments. The third Learning Week is scheduled for the first quarter of 2020.

In 2020, the Group's mission is to create a center of excellence. It will eventually integrate all of Ingenico's learning resources, with three objectives: improving performance, promoting career development and improving employee engagement.

Employees' requirements are assessed and mapped, to create demand-based training sessions.

In 2019, 49% of employees participated in LinkedIn training courses.

2.3.1.3 Strengthening employee engagement

People In

Any action in terms of engagement begins with listening to employees. As a result, a global internal survey, People In, was launched in October 2018. The survey comprised an assessment based on an overall score and 25 questions in three areas: Ingenico in general and the way its employees perceive the Company and its strategy, their interactions with their managers and, lastly, the working environment.

The Group continued with this major commitment in 2019, by conducting two new internal surveys. Participation achieved a high rate of 78%, compared to 71% in 2018 and, overall, the employee satisfaction score significantly improved.

Improving employee engagement will continue to be a priority for the Group in 2020. This is an effort that should be shared at by all levels of the organization.

As part of its **SHARE** program launched in 2019, Ingenico Group has set itself a goal for employee satisfaction and engagement.

2023 objective	2018 reference	2019 objective	2019 status
eNPS > +8	-12	-9	-8,6

Internal communication

In order to involve its employees in its overall strategy, Ingenico Group is committed to developing regular, transparent internal communication. Numerous initiatives have been launched to boost the sharing of information with all employees.

Accessible to all Group's employees, the Skyway global intranet indicates a desire to encourage cross-functional cooperation and to disseminate Group corporate culture more effectively. It pools all Group news related to its businesses and its organization, as well as its internal policies; it brings together all employees and facilitates the integration of employees who recently joined the company after acquisitions. Its content continued to be enriched in 2019. Skyway is also a collaborative work space that pulls together many applications, including a space for sharing documents and joint drafting with eShare.

Regular information and dialogue meetings (Townhall sessions) are also held in a number of Group entities, to share the Company's plans and results. In Australia, monthly Shout-outs bring employees together to highlight team successes. In Argentina at Global Collect, a MorningUpDate session is organized each month to present internal projects. In Germany, a managers' circle meets each month to keep employees informed and engage them in the strategy.

In 2019, the existing weekly newsletter (Week Starter), aimed at disseminating the Group's news highlights and distributed to all employees, had a change of format and became the Globe newsletter. Distributed fortnightly, Globe offers richer, more user-friendly and more inspiring content for employees.

Community outreach events and initiatives

Ingenico Group takes a variety of actions to develop its employees' engagement, including team-building activities, sporting events, and themed annual parties. In e-commerce entities, a budget is allocated to each department to organize events in accordance with team needs. In China, Landi organizes a major orienteering competition every year. In India, an entertainment committee has been created to organize events throughout the year. In Germany, a hackathon was organized, a temporary event during which volunteer programmers came together around various projects.

In addition to these regular events promoting fellowship and team spirit, Ingenico Group encourages community outreach initiatives, which, as well as having a positive societal impact, help strengthen employees' feeling of belonging. In e-commerce entities, charity sales were organized during the year. The United Kingdom has set up a volunteer program.

Ingenico Group also offers the "Salary rounding" system, which enables employees in France to support charities of their choice. As a result of a vote by employees, it was decided to pay the donations to two new associations in 2019, in addition to those already included in the initiative: "À chacun son Everest" (Everyone has their Everest), which supports children suffering from cancer or leukemia and women in remission from breast cancer, and "The Sea Cleaners", which is committed to preserving the oceans. The french entity also organized a meeting around a breakfast session between some member associations of the Arrondi sur salaire (salary rounding) scheme and Ingenico employees. The new associations were thus able to introduce themselves and the older ones presented the actions they had put in place. This meeting was conducted as part of Giving Tuesday, an event dedicated to generosity and solidarity.

2.3.2 A dynamic workforce for a dynamic Group

Ingenico Group continues to grow internationally. This expansion is reflected by strong growth in its workforce, rising from 2,830 employees in 2010 to 8,669 employees at the end of 2019, spread across 46 countries.

Total headcount per country (permanent employees and fixed-term contracts)

With 95 nationalities represented in its workforce, Ingenico Group boasts a highly diverse talent pool as a result of the increasing internationalization of its business.

At the end of 2019, the Group's total workforce stood at 8,669 people.

	2017		2018		2019	
Country	Total	%	Total	%	Total	%
China	1,768	22.1%	1,502	19.1%	1,397	16.1%
Germany	531	6.6%	547	7.0%	1,347	15.5%
France	1,044	13.1%	1,011	12.9%	961	11.1%
India	532	6.7%	494	6.3%	512	5.9%
United-Kingdom	462	5.8%	485	6.2%	509	5.9%
The Netherlands	473	5.9%	438	5.6%	494	5.7%
The United States	377	4.7%	418	5.3%	377	4.3%
Belgium	332	4.2%	317	4.0%	324	3.7%
Sweden	255	3.2%	269	3.4%	315	3.6%
Australia	289	3.6%	291	3.7%	270	3.1%
Canada	223	2.8%	223	2.8%	233	2.7%
New-Zealand	3	0.0%	3	0.0%	182	2.1%
Turkey	169	2.1%	165	2.1%	162	1.9%
Spain	153	1.9%	147	1.9%	154	1.8%
Italy	167	2.1%	155	2.0%	147	1.7%
Russian Federation	174	2.2%	151	1.9%	131	1.5%
Brazil	113	1.4%	120	1.5%	126	1.5%
Singapore	138	1.7%	134	1.7%	125	1.4%
Taiwan	-	0.0%	115	1.5%	98	1.1%
Mexico	59	0.7%	93	1.2%	98	1.1%
Indonesia	105	1.3%	94	1.2%	91	1.0%
Thailand	94	1.2%	115	1.5%	76	0.9%
Denmark	79	1.0%	67	0.9%	63	0.7%
Malaysia	53	0.7%	59	0.8%	57	0.7%
Switzerland	54	0.7%	60	0.8%	56	0.6%
Philippines	51	0.6%	64	0.8%	54	0.6%
Other	294	3.7%	310	4.0%	310	3.6%
TOTAL	**7,992**	**100%**	**7,847**	**100%**	**8,669**	**100%**

Workforce as of December 31, 2019 (breakdown between permanent and fixed-term contracts)

	2017			2018			2019		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
B&A	4,243	329	4,572	4,471	104	4,575	4,117	98	4,215
Retail	3,043	119	3,162	2,820	206	3,026	3,932	258	4,190
Corporate	251	7	258	237	9	246	250	14	264
TOTAL	**7,537**	**455**	**7,992**	**7,528**	**319**	**7,847**	**8,299**	**370**	**8,669**

2.3.3 Talent recruitment and retention

2.3.3.1 Recruitment policy

The Group employs a variety of methods to ensure that Ingenico Group's recruitment policy is effective, including IT tools, internal and external communication, cooptation, and partnerships with universities and schools. These measures enable Ingenico Group to recruit the best talent in the Fintech sector worldwide.

2.3.3.2 Hiring and departures

● Hiring

In 2019, workforces from acquisitions represented 38.3% of hiring.

	2017			2018			2019		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
B&A	779	134	913	852	75	927	468	48	516
Retail	1,262	96	1,358	539	133	672	873	175	1,048
Corporate	25	5	30	34	11	45	54	12	66
TOTAL	**2,066**	**235**	**2,301**	**1,425**	**219**	**1,644**	**1,395**	**235**	**1,630**

* *Payone is not included.*

● Departures

	2017			2018			2019		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
B&A	607	71	678	718	252	970	802	27	829
Retail	412	25	437	726	55	781	659	52	711
Corporate	19	10	29	47	7	54	64	7	71
TOTAL	**1,038**	**106**	**1,144**	**1,491**	**314**	**1,805**	**1,525**	**86**	**1,611**

* *Payone is not included.*

● Reasons for leaving

	2017	2018	2019
Resignation	771	1,247	1,043
Dismissal	121	173	190
End of fixed-term contract	57	96	40
Disposal	-	-	41
Mutual agreement	94	118	165
Redundancies	48	95	59
End of probationary period (by employer)	16	30	26
End of probationary period (by employee)	16	12	20
Retirement	13	20	17
All others	8	14	10
TOTAL	**1,144**	**1,805**	**1,611**

* *Payone is not included.*

2.3.3.3 Talent retention

Ingenico Group focuses particular attention on retaining its talent. Several measures are in place to offer attractive and motivating working conditions and to ensure a balance between work and personal life: competitive compensation and benefits, flexibility in the working environment, training, etc.

The annual review process, conducted with 5,282 employees in 2019, allows the Group to listen to employees and ensure that their motivation and involvement is maintained throughout their career. The "PeopleDay" tool helps employees to communicate regularly with their manager throughout the year, so that priorities can be adjusted in response to current events.

Apart from dialogue with their manager, employees can also give and receive assessments to/from other internal stakeholders, giving them a clearer understanding of their work and ensuring more regular dialogue between the various teams.

In 2019, the Group developed a global approach to support and grow its talents; this will be continued in 2020, with the deployment of a specific talent review process.

In this context, the voluntary turnover rate[1] decreased in 2019 to reach 11.4%, *versus* 12.3% in 2018.

The People In survey conducted in 2019 (see Chapter 2.3.1.3, "Strengthening employee engagement") aims to address this issue of talent engagement and retentio.

2.3.4 Optimal working conditions

2.3.4.1 Organization of working hours

- **Breakdown of full-time and part-time contracts**

The percentage of part-time staff remained stable between 2018 and 2019, representing 4.5% of the Group's total workforce in 2019.

	2017			2018			2019		
	Full-time	Part-time	Total	Full-time	Part-time	Total	Full-time	Part-time	Total
B&A	4,483	89	4,572	4,484	91	4,575	4,110	105	4,215
Retail	3,001	161	3,162	2,888	138	3,026	3,917	273	4,190
Corporate	247	11	258	234	12	246	255	9	264
TOTAL	**7,731**	**261**	**7,992**	**7,606**	**241**	**7,847**	**8,282**	**387**	**8,669**

- **Temporary workers and outsourcing**

In 2019, the number of outsourced and temporary workers totaled 1,806 FTE (full-time equivalent employees). The bulk of the work that is outsourced consists of application development, call center, maintenance and repair work.

	2017			2018			2019		
	Outsourced	Temporary	Total	Outsourced	Temporary	Total	Outsourced	Temporary	Total
B&A	955	297	1,252	963	270	1,233	792	316	1,108
Retail	250	249	499	270	314	584	278	336	615
Corporate	78		78	78		78	83		83
TOTAL	**1,283**	**546**	**1,829**	**1,311**	**585**	**1,895**	**1,154**	**652**	**1,806**

2.3.4.2 Health and safety

Ingenico pays special attention to the health and safety of its employees.

Most of Group entities have a dedicated Health and Safety Committee. Through specific measures, these committees help to protect the health and safety of employees and so improve working conditions.

Health

Most entities offer full medical examinations for all their employees. In France, collective bargaining agreements on health and welfare costs are in place. In China, employees have access to sickness insurance, including for industrial injuries, and supplementary insurance for salespeople. In the Philippines, an annual review is offered to all employees.

The majority of the Group's entities have set up a Health and Safety Committee in accordance with the regulations specific to each country.

In Sweden, a policy and manual on the working environment were drawn up in 2019. These arrangements will be applied subsequently to all Nordic entities. In addition, all Swedish managers and team leaders received training in March 2019 on the working environment.

In the New Zealand entity, an induction video on health and safety is provided to employees. In Brazil, Colombia, Mexico, the United States, the United Kingdom and Spain, well-being programs are also in place.

(1) Total number of resignations divided by the average number of permanent employees over the whole year.

Psychosocial risks are also subject to particular attention. Several countries have implemented specific initiatives aimed at prevention, such as in Belgium with the Corporate Vitality program launched in 2015, and in the United Kingdom with the Employee Assistance Program. Nordic countries consider work-related stress and fatigue as occupational illnesses.

In accordance with the European regulations on the prevention of risks of employee exposure to electromagnetic fields, several European countries have assessed or planned to assess these risks.

The Group recorded an absenteeism rate of 2.62% in 2019, compared to 2.11% in 2018 and 2.24% in 2017. In 2019, 87 occupational accidents, of which four were road traffic accidents, and 28 occupational illnesses were recorded at Group level.

Safety

To ensure the safety of employees, the Group's entities carry out evacuation exercises, make first aid training available and conduct on-site safety audits.

In Mexico, a country regularly affected by earthquakes, Ingenico Group employees took part in preventive protection exercises against potential earthquakes. These exercises are also conducted in Canada. In the United States, a response team was set up to take appropriate action in the event of fire, an employee heart attack or intrusion of a gunman into the premises. In e-commerce entities, an internal emergency plan has been deployed for evacuations, which includes conducting an audit of the building. Some entities are also putting evaluations in place to estimate employees' level of exposure to magnetic fields.

In the Global Collect entity in the Netherlands, an inventory and risk assessment were conducted at the beginning of 2019.

Management of employees in exceptional situations

The Group has a crisis management procedure to inform employees and allow them to take the necessary measures in the event of a major incident by using specific communication tools. Exceptional circumstances in France in 2019 (extended strike) required implementing advance notification in order to plan ahead for potential impacts on employees and on business continuity.

An update of the business continuity plan and regular drills help to validate the new safety measures. This procedure, which has been integrated into Ingenico Group's management system, received ISO 22301[1] certification following an external audit.

2.3.4.3 Development of telecommuting

The Group continues to develop and support telecommuting on a part-time basis, which enables its employees who can work in this way to achieve a work-life balance. Currently, 59.4% of the Group's entities give their employees the opportunity to work remotely. In 2019, telecommuting was used by a monthly average of 520 employees, an increase from the figures of 2018 (398).

In France, the charter relating to telecommuting, which entered into force in 2013, was revised in 2017 to relax the conditions of telecommuting for employees and to simplify the administrative processing of requests.

During 2019, several entities set up a telecommuting policy with specific conditions. In Argentina, Mexico and the United States, one day of telecommuting per week is authorized. In Germany and Spain, the conditions are specific according to the work performed and are described in the employment contract. In the Global Collect entity in the United States, the telecommuting policy depends on the location of the job. However, in some entities where there is no telecommuting policy, employees may be authorized by their manager to work from home.

2.3.4.4 Employee compensation and recognition

Because its people are crucial to Ingenico Group's success, its compensation policy aims to support their commitment, recognize their individual and collective contributions, win their loyalty, and attract new talents.

To sustainably support this dynamic approach, the Group's overall compensation policy is based on several core principles:

- a competitive and fair compensation policy based on a tailored job evaluation and classification system. In each of the Group's entities and countries of operation, compensation packages are benchmarked annually with Ingenico Group's market and calibrated in-house in order to assess and ensure fairness of pay within the Group;
- a compensation policy that aims to support and recognize employees' contributions to the Group's performance. This is achieved through annual pay review campaigns and a bonus policy governing the process for the setting and achievement of annual individual and collective objectives;
- a responsible compensation policy that aims to offer welfare benefits for all Group employees in line with local practices and regulations.

In most countries, these three core principles are tailored to local parameters and markets, such as social legislation and legal developments, as well as the economic conditions, the labor market and competition.

This policy is reinforced by an expanding communications approach aimed at helping employees to clearly identify and understand each component of their compensation.

Since 2015, all employees in France receive an individualized report in which their total compensation is broken down and explained. Through its communications, the Group also aims to make employees aware of various employment-related issues, such as health, benefits and retirement, and to encourage their use of all the tools available to them.

Payroll costs are shown in Note 6 "Employee benefits" to the consolidated financial statements as of December 31, 2019.

(1) *"Scope of application: business continuity management for the production of (POS) payment terminals and associated support, the provision of services and associated support, and the cross-functional activities of the head office."*

2.3.4.5 Social dialogue

In accordance with its code of ethics and business conduct, the Group observes the principle of freedom of association and staff representation, whether by direct representation or through unions. It promotes constructive dialog with employee representatives and unions, based on mutual respect, responsibility, and the keeping of commitments.

A number of Group subsidiaries have active employee representative bodies, such as "works councils", which cover 34% of Ingenico Group's total workforce, or union representatives, which cover a total of 42% of the Group's workforce. Collective bargaining agreements are in place in France, Germany, Spain, Italy, India, Brazil, the Netherlands, and Sweden, representing 30% of the Group's workforce. In the main, these agreements cover employment conditions: working hours and profiles, paid leave and public holidays, the minimum wage, incentive programs, etc.

In France, 7 collective agreements were signed in 2019 (9 in 2018 and 7 in 2017).

The Bambora entity in Sweden has seen positive impacts on salaries, working hours and leave as a result of collective agreements. There has been no negative impact on the business performance of the entity in comparison with the Bambora entities where no such agreements have been implemented. A collective agreement was signed in 2019 (one in 2018 and one in 2017).

Together, these collective bargaining agreements represent investments that help to improve employees' working conditions and the Company's performance.

2.3.5 Promotion of diversity

2.3.5.1 Anti-Discrimination practices

Ingenico Group has put in place a code of ethics and business conduct which formalizes the core guidelines common to all Group entities. This code is based in particular on equal opportunity on the basis of merit and skill, and the prohibition of discrimination. By adhering to these principles, Ingenico Group is able to provide its employees with a fair and safe working environment.

The Group's subsidiaries use these guidelines to implement local initiatives, such as the introduction of policies specific to the fight against all forms of discrimination and promoting equal opportunity. The fight against discrimination is also highlighted within several entities *via* Employee Handbooks distributed to employees which set out the procedure to be followed to notify a case of harassment or discrimination within the entity. Others have introduced training to prevent the risks of discrimination and harassment, as well as formal complaint procedures.

Some Group entities offer employees the opportunity to consult dedicated people, as in Germany with the appointment of a legal representative on fair treatment, or the Netherlands with the existence of an external adviser acting in total confidentiality. Although it is not the language of the country where the Company is based, the designation of English as the language used within the various entities of Bambora encourages the inclusion of all employees. In the United States, a positive discrimination plan has been implemented.

In the Netherlands, for example, diversity awareness sessions are conducted for young employees. In Germany, employees have to read and acknowledge receipt of a document relating to the law on equal treatment *(Allgemeines Gleichbehandlungsgesetz).*

In 2017, the Economic and Social Unit (UES Ingenico in France) signed an agreement promoting the integration, retention and development of disabled persons. This agreement involves actions in four specific areas: recruitment, job retention, training and awareness, as well as stronger collaboration with the protected and disability-adapted sector. In 2019, as part of European Disability Employment Week, the French entity carried out an awareness-raising action on "Dys" disorders (dyslexia, dysorthography, dyspraxia), the impact they may have on professional and personal life and the means to alleviate them.

In other Group entities, actions are also undertaken to encourage the integration of people with disabilities into the world of employment: implementation of partnerships with specific providers to facilitate integration of disabled persons, provision of adapted workstations and deployment of action plans to encourage the employment of disabled persons, such as in the United States, where job offers are published on sites specifically for people with disabilities; it is also customary in the Global Collect entity in the United States to pay attention, when preparing job offers, to not favoring a particular gender.

To combat discrimination of any kind, the entity in Mexico has set up specific training courses on "Mental Bias" (how not to have a "biased" opinion on minorities), personal development and "inclusive teams" aimed at making employees aware of discrimination.

Many of the Group's entities comply with local regulations regarding the employment of disabled persons, which generally take the form of "percentage of total employees in the entity". In addition, some entities are putting in place specific actions to encourage the integration of disabled persons, as in France, where a "Handinov" newsletter is regularly sent to employees.

In 2019, there were 88 disabled persons in the Group's workforce (excluding entities with fewer than 16 employees). In France, the percentage of disabled persons was 1.67% of the workforce in 2019.

In general, the Group endeavors to create all the conditions of an environment encouraging integration and preventing any discriminatory practices.

2.3.5.2 Representation of age groups and nationalities within the Group

- **Workforce by age range**

The average age of Group employees is 38.7 years, a figure that is relatively stable year on year.

	2017				2018				2019			
	< 30	30 & 50	> 50	Total	< 30	30 & 50	> 50	Total	< 30	30 & 50	> 50	Total
B&A	1,269	2,692	611	4,572	1,084	2,835	656	4,575	793	2,723	699	4,215
Retail	617	2,180	365	3,162	608	2,031	387	3,026	800	2,723	667	4,190
Corporate	23	182	53	258	30	167	49	246	48	168	48	264
TOTAL	**1,909**	**5,054**	**1,029**	**7,992**	**1,722**	**5,033**	**1,092**	**7,847**	**1,641**	**5,614**	**1,414**	**8,669**

- **Workforce by age range and by type of contract**

	2017						2018						2019					
	<30		30 & 50		>50		<30		30 & 50		>50		<30		30 & 50		>50	
	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term	Permanent	Fixed-term
B&A	1,170	99	2,496	196	577	34	1,05	34	2,79	45	631	25	762	31	2,678	45	677	22
Retail	570	47	2,114	66	359	6	537	71	1,908	123	375	12	692	108	2,584	139	656	11
Corporate	17	6	182	0	52	1	22	8	166	1	49		39	9	164	4	47	1
TOTAL	**1,757**	**152**	**4,792**	**262**	**988**	**41**	**1,609**	**113**	**4,864**	**169**	**1,055**	**37**	**1,493**	**148**	**5,426**	**188**	**1,380**	**34**

2.3.5.3 Efforts to promote gender equality at work

Ingenico Group is convinced that diversity is a performance driver for the Company, and intends to improve the promotion of gender equality through various initiatives. This is why it has made diversity one of the main areas of development of its CSR program, SHARE.

2023 objective	2018 reference	2019 objective	2019 status
Increase the representation of women in the workforce to 35%	30%	31%	31.6%
Reflect workforce diversity in management positions (bands 7-8):			
• 30% women	24%	25%	15%
• 70% non-French	56%	59%	62%

In a highly technical business sector, where men are traditionally over-represented, Ingenico Group is promoting gender equality (SDG 5[(1)]) through a variety of initiatives. In 2019, for the first time, Ingenico used the Bloomberg reporting framework on gender equality to evaluate its data, policies and products from the perspective of diversity.

Ingenico Group strives to create the conditions for an even better representation of women in its workforce, and initiatives are being developed to this end at Group entities and around the world. These initiatives focus on recruitment, career advancement, compensation, and work-life balance.

By way of example, the Chinese entity encourages increased numbers of women on research and development teams. In Taiwan, a room is available for female employees to breastfeed and a contract is in place with a nursery close to the workplace to assist with daycare for young children. In France, Ingenico Group is a partner of the *Elles Bougent* [Girls on the Move] association, which aims to encourage young girls to consider careers in the scientific and technology sectors. Entities in Australia, Brazil, Colombia, the Nordic countries and the United States comply with the local requirements imposed in terms of equal opportunities.

Some initiatives are in place in the various Group entities. In Australia, International Women's Day is celebrated, during which diversity statistics are shared with the local management team. Within the Paymark entity, a day is organized once a quarter to celebrate cultural diversity. Paymark is also a member of the "Champions for Change" program, which aims to raise awareness, engage and accelerate diversity and inclusion in the workplace.

(1) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.

The Group continues its efforts to foster gender equality through actions such as its partnership with Women in Payments, a network that promotes and participates in the development of female leadership in the payment sector. In France, Ingenico participated for the first time to the event "Assises de la Parité" (convention for gender parity), organized in 2019 by International Women's Forum.

In 2019, in accordance with French law, Ingenico in France published its index on gender equality. This index is based on five indicators measured according to a points scale defined by decree:

- pay gap between women and men;
- increase rate differential between women and men;
- promotion rate differential between women and men;
- proportion of employees returning from maternity leave who received an increase on their return when increases occurred during the period of their leave;
- number of women out of the ten employees who received the highest compensation.

For the 2018 reference period published in 2019, the Ingenico index in France (UES Ingenico) was 89 out of 100.

The WIN program

The Group's ambition for gender equality was notably realized in October 2019 with the creation of WIN – We at Ingenico – the Group network dedicated to diversity, sponsored by two members of the Group's Executive Committee. WIN's first task will be to promote gender equality and inclusion within the Group. WIN's objective is to provide women with the resources necessary to achieve leadership positions within the Company and to create a more inclusive work environment. As part of this program, learning sessions were launched in 2019, as well as an initial internal event. In 2020, the Group will launch a mentoring program for the first time as part of WIN.

Workforce by gender

The number of women remained stable between 2018 and 2019, at 31.6% of the total workforce, and is close to parity within Corporate functions (123 women – 141 men). The difference between the number of women in top management positions and the number of women in the total workforce is 16.6%.

	2017			2018			2019		
Region	Women	Men	Total	Women	Men	Total	Women	Men	Total
B&A	1,295	3,277	4,572	1,276	3,299	4,575	1,208	3,007	4,215
Retail	979	2,183	3,162	941	2,085	3,026	1,410	2,780	4,190
Corporate	113	145	258	119	127	246	123	141	264
TOTAL	**2,387**	**5,605**	**7,992**	**2,336**	**5,511**	**7,847**	**2,741**	**5,928**	**8,669**

Workforce by gender and by type of contract

	2017				2018				2019			
	W		M		W		M		W		M	
BU	Perma-nent	Fixed-term	Perma-nent	Fixed-term	Perma-nent	Fixed-term	Perma-nent	Fixed-term	Perma-nent	Fixed-term	Perma-nent	Fixed-term
B&A	1,109	186	3,134	143	1,233	43	3,238	61	1,173	35	2,944	63
Retail (CMD)	928	51	2,115	68	851	90	1,969	116	1,297	113	2,635	145
Corporate (CMD)	110	3	141	4	113	6	124	3	112	11	138	3
TOTAL	**2,147**	**240**	**5,39**	**215**	**2,197**	**139**	**5,331**	**180**	**2,582**	**159**	**5,717**	**211**
TOTAL (%)	**89.9%**	**10.1%**	**96.2%**	**3.8%**	**94.0%**	**6.0%**	**96.7%**	**3.3%**	**94.2%**	**5.8%**	**96.4%**	**3.6%**

2.3.5.4 Diversity within governance bodies

As of December 31, 2019, the percentage of women on the Executive Committee was 40%, placing Ingenico Group among the most performant companies of SBF 120 in terms of women representation.

Workforce by gender in governance bodies as of December 31, 2019

	2019				
	Women		Men		Total
Executive Committee	4	40%	6	60%	10
Board of Directors	5	45%	6	55%	11(1)

(1) *In accordance with legal provisions, the Board member representing employees is not taken into account when calculating the percentage of women on the Board of Directors.*

Workforce by age group in governance bodies as of December 31, 2019

	2019						
	Less than 30 years of age		30 to 50 years of age		More than 50 years of age		Total
Executive Committee	0	0%	5	50%	5	50%	10
Board of Directors	0	0%	4	36.4%	7	63.6%	11 (1)

(1) The Board member representing employees is not taken into account when calculating this ratio.

Workforce by nationality in governance bodies as of December 31, 2019

	2019				
	French		Non-French		Total
Executive Committee	8	80%	2	20%	10
Board of Directors	8	72.7%	3	27.2%	11 (1)

(1) The Board member representing employees is not taken into account when calculating this ratio.

As part of its **SHARE** program launched in 2019, Ingenico Group has set itself a goal for non-discrimination, gender equality and employee diversity.

2.4 INGENICO GROUP'S CONTRIBUTION TO SOCIETY

Key indicators 2019

78% of strategic components suppliers assessed on their CSR performance

19.5 million transactions that resulted in the collection of **€173.4 M** in charity donations

70% of new employees who signed the code of ethics on their arrival

100% of Ingenico components suppliers assessed on the source of minerals used

Net Promoter Score for employees (eNPS): **- 8.6**

As a global company growing in influence and impact, Ingenico Group is increasingly committed to managing the societal impacts that stem from its operations, products and business relationships, which represent one of the four fields of action of its CSR program, **SHARE**.

Within a complex, constantly evolving ecosystem, the Group must address a number of societal risks and be able to grasp opportunities that allow it to have a positive impact on the world and to develop sustainably. As a responsible corporate citizen, Ingenico Group seeks to maintain and enhance professional ethics, prevent corruption and respect human rights, both in terms of its own business activities and within its supply chain. Some of its business activities expose Ingenico Group to risks associated with both the security of its information and the safety of its products. It must in particular prevent security breaches and ensure the protection of personal data. It must also guarantee that its products have no adverse effects on the health of their users. Considering the Group's ambition is to become the global leader in omnichannel payment, it must maintain regular dialogue with its many stakeholders in order to meet their expectations and adapt to their environment and to the specific features of certain local markets.

To meet these challenges in 2019 the Group continued to develop its policies in the following areas:

- business ethics;
- ensuring the protection of personal data;
- ensuring the safety of its products and solutions;
- developing responsible practices within its supply chain;
- engaging stakeholders.

These policies and the actions taken as a result are set out below.

2.4.1 Ethics and combating corruption

Ingenico Group is committed to ensuring that all its operations are conducted with honesty and integrity and in compliance with applicable laws and regulations, in particular in terms of combating corruption (SDG 16[1]). The board and its committee are particularly mindful with this subject.

2.4.1.1 Business ethics

In addition to meeting its purely regulatory obligations, including those relating to the fight against money laundering and the financing of terrorism in its regulated entities, the Group's scrupulous ethical commitments are laid out in its code of ethics and business conduct[2] which is designed to create common principles that comply with all applicable laws and regulations. This is made available to all Ingenico Group employees in all the countries in which it operates. The code of ethics and business conduct, prefaced by Nicolas Huss, Chief Executive Officer of Ingenico Group, is distributed to employees upon arrival and accessible on the Group's intranet and to third parties on its website.

For Ingenico Group, it is vital that its rigorous ethical culture is fully understood and put into practice throughout the Group. That is why the code of ethics and business conduct is available in 14 languages, accounting for most of those used by the Group's employees: French, English, Chinese (traditional and simplified), Spanish, Turkish, German, Dutch, Russian, Portuguese, Italian, Indonesian, Thai and Japanese.

The code of ethics and business conduct focuses on the Group's key principles that are based on texts and standards such as the Universal Declaration of Human Rights and the United Nations Global Compact, relating to environmental protection, its employees' fundamental rights (equal opportunities, prohibition of harassment and of child and forced labor, occupational health and safety, freedom of association and collective bargaining), prohibiting any form of corruption, and to good corporate governance.

The code is the tool by which the Group aims to influence its entire ecosystem, and it sets out the standards the Group expects, not only from its own employees, but also from the third parties with whom it operates. In the majority of entities, Group suppliers are required to accept the code of ethics and business conduct before they can be listed.

Potential breaches of the code of ethics and business conduct can be identified using a reporting procedure that is available to all employees or stakeholders in the Group who want to raise an issue, doubt or grievance with regard to this code (dedicated e-mail address: ethics@ingenico.com). This reporting hotline arrangement complements any local whistle-blowing procedures. The Group is committed to handling any reported incidents confidentially and fairly, and in accordance with the relevant legislation.

In 2019, the Group continued its internal communication campaign regarding the Group ethics reporting hotline, *via* newsletters, posters and a dedicated page on the Group's intranet. All cases reported were handled.

The code was updated in 2019 and includes as an appendix the Group policy on gifts and invitations, the whistle-blowing policy and a new anti-corruption policy.

In 2019, the Group also established a policy on conflicts of interest in order to formalize the prevention and management of conflict of interest situations within Ingenico.

The principles set out in the code of ethics and business conduct and its associated policies, such as the Group policy on gifts and invitations and the whistle-blowing policy, are covered in e-learning and/or classroom-based training courses.

The fight against corruption is one of the Group's top priorities. It maintains an anti-corruption risk mapping, which continues to form the basis for a range of measures to strengthen its anti-corruption efforts.

In 2019, the Compliance Department conducted training and awareness-raising sessions on ethics and combating corruption among particularly exposed staff, such as the management committees of the two Business Units, Retail and B&A, the Group's Executive Committee and management and key functions in China. The training program also included a Learning Week dedicated to risks and compliance.

New training courses and an e-learning module dedicated to combating corruption will be deployed in 2020 to act in the best possible way to address the main risks of corruption at Group level. These training courses will also comply with the legal obligations of France's Sapin 2 Law.

2.4.1.2 Local initiatives to promote ethical practices

In addition, some entities have implemented measures tailored to the local context, such as external whistle-blowing hotlines in countries where this is authorized. This process is in place in Belgium, China, the Netherlands and the United States.

Other local initiatives in favor of ethical practices have been implemented locally, such as:

- specific ethics training offered in India and Spain;
- a policy to combat corruption, disciplinary processes and mandatory modules on Ingenico University relating to data protection and the code of ethics for all new employees in the United Kingdom;
- an anti-money laundering policy, reporting and targeted awareness-raising actions in Sweden and in certain entities of Global Collect;
- an anti-fraud committee, a policy and a hotline to report behaviors that are contrary to ethical practices in China;
- a questionnaire based on anti-corruption principles sent to the various employees in Thailand to identify any malfunctions and implement measures if necessary;

(1) *For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.*

(2) *https://www.ingenico.com/press-and-publications/library/code-of-ethics.html.*

- preliminary audits for any new customer in Australia and New Zealand in order to prevent money laundering and the financing of terrorist activities in accordance with the Anti-Money Laundering and Countering Financing of Terrorism Act;
- approval by managers of all employee expenses in countries using the i-buy tool for combating money laundering;
- establishment of an anti-corruption officer position in Ukraine to ensure strict compliance and regular audits.

2.4.2 Tax transparency

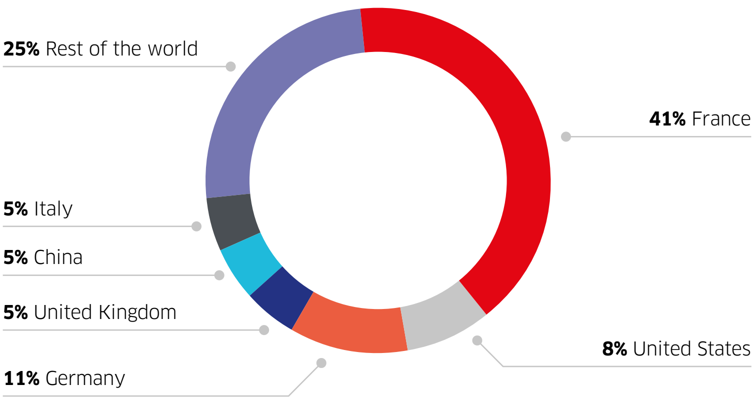
Ingenico Group operates in 49 countries and is subject to taxation in all these jurisdictions. At local level, the Group's entities undertake, without exception, to ensure compliance with the tax legislation. With regard to transfer prices, tax residence and the tax implications of the digital economy, the Group follows the provisions of the double taxation agreements and the OECD tax directives, particularly the BEPS (Base Erosion and Profit Shifting) project.

Given the complexity of the international tax environment, a certain degree of tax risk and uncertainty is inherent in the Group's business activities. For this reason, the Group employs a team of tax experts who work closely with all internal stakeholders to manage these tax risks. It ensures that its tax team is fully involved in any significant commercial development, so that all the tax implications of its actions can be assessed beforehand. External advice is requested in the event of uncertainty or complexity. In addition, the Group maintains a dialogue with local tax authorities on various topics such as intellectual property issues.

Ingenico Group strives to manage its relationships with the tax authorities proactively, transparently and responsibly by talking to them before projects start and by communicating all the information requested. The sole objective of tax planning, in line with its economic and commercial activity, is to create long-term economic value. As a result, the Group does not engage in aggressive tax planning.

In 2019, the taxes payable were €54.7 million, with an effective tax rate of 20.18%.

Total 2019 taxes and social contribution allocation



2.4.3 Data privacy

As digital technology develops, it is essential that personal data is protected and individuals' privacy is respected (SDG 16[(1)]).

In 2019, the Group continued to roll out its global project to achieve compliance with the General Data Protection Regulation (GDPR) as well as with local laws.

The network of Data Protection Officers, appointed to the local authorities in seven member countries of the European Union, has been strengthened and institutionalized in order to share and disseminate best practices in the Group in terms of the protection of personal data and to advise stakeholders on the application of the regulatory requirements in this regard.

In terms of employee training, two e-learning modules relating to the protection of personal data have been made available in three languages, with training followed and certified by more than 25% of the workforce based in the European Union during the second half of 2019. In addition to the initial training, Ingenico Group arranged awareness-raising actions through a Learning Week in October 2019 for all regions (webinar on data protection) and the incorporation of two courses on ethics, compliance and the protection of personal data on the LinkedIn Learning platform. These two courses are delivered in English and allow employees to acquire the basic knowledge and learn how to apply it at Ingenico.

The measures implemented as part of ensuring compliance with the GDPR, policies and procedures or standard documents in particular, are used as a basis for compliance actions necessary in other non-EU countries that have adopted similar regulations, such as Brazil (LGPD) and Turkey. They enable standard dissemination of best practices in the Group, thereby reinforcing the protection of personal data and compliance documentation.

Among the entities that have implemented additional measures, we can mention the following:

- the Landi entity in China, where an NDA (Non-Disclosure Agreement) is signed by all employees;
- the Global Collect entity, also based in China, which offers e-learning training on data protection topics;
- the Paymark entity in New Zealand and the Ingenico entity in Spain, which offer training on privacy protection.

2.4.4 Intellectual property

Respect for intellectual property rights was identified as a major issue by the Group's stakeholders. To ensure that the rights of third parties are guaranteed, whenever necessary, the Group conducts research on existing intellectual property and keeps a close watch over its patent portfolio. It has also implemented a system for actively monitoring these matters (see Chapter 1).

2.4.5 Information security

Information security is a key concept for Ingenico Group and is at the heart of its innovation approach. In a context of open innovation, employees, customers, partners and even competitors around the world can now collaborate in the commercial innovation process, which requires solid security strategies and practices. As a result, information security has become a key component of commercial success.

The Group has developed a process for evaluating cyber security threats, a company-specific risk assessment process and an evidence-based management process. The Group regularly assesses the risks associated with information security and implements standardized countermeasures to combat them (see Chapter 1.2.3).

Ingenico has also deployed a security awareness module available as e-learning. This aims to identify the risks associated with information security and to ensure that employees and partners are trained and able to provide the best line of defense to counter the risks associated with information security. This module is made available to new employees as part of the induction program.

The Group's policy is to select only those data centers with ISO 27001 certification for managing information security. As of December 31, 2019, Ingenico had 36 data centres and 33 of them (92%) had achieved this certification.

In addition, the Landi entity in China has set up a committee dedicated to information security.

(1) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.

2.4.6 Product safety

To protect the health and safety of its customers and the end users of its solutions, Ingenico Group provides detailed user guides that include, for example, information on terminal emissions and voltage levels, in line with the regulations in force in the various countries.

Ingenico Group's environmental requirements for its suppliers and subcontractors concerning the composition of its terminals also help protect user's health and safety. In particular, the Group ensures that its products do not contain dangerous substances, as defined by the regulations of RoHS (Restriction of Hazardous Substances, which aims to limit the use of 10 hazardous substances) and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals, which aims to improve health protection and enhance knowledge regarding chemical substances).

In addition, Ingenico Group is committed to rigorously testing its products and applications, not only during the research and development phases, but also when terminals are sent for repair.

Training on the health and safety aspects of products is provided, particularly for employees responsible for customer support. They are therefore able to provide guidance to customers for handling an incident such as a terminal that is emitting smoke or has a burning smell.

2.4.7 Solutions for financial transparency and inclusion

Ingenico Group develops electronic payment services to promote transparency and financial inclusion. By providing these services in a way that is secure, suited to the needs of local markets and widely accessible, the Group is helping governments to lay the foundations of social development.

2.4.7.1 Financial transparency solutions

The collection and redistribution of tax is essential to the development of a society. Without a secure, transparent and inclusive system, the State does not have the means to stimulate growth and redistribute its wealth. Ingenico Group's tax transparency solutions give national public institutions the means to efficiently manage the country's wealth, thereby contributing to the fight against fraud and the informal economy while reducing inequalities (SDGs 10, 16 and 17).

Transparent and secure solutions for tax collection

In order to ensure sustainable economic development, it is important that the State collects taxes from its citizens efficiently and limits the risk of fraud. By its very nature, electronic payment contributes to the reduction of fraud and illicit financial flows (SDG 16[1]). Ingenico Group has strengthened its commitment by launching solutions to improve the traceability of monetary transactions and the transparency of the financial system in line with governments' anti-fraud requirements, both in emerging economies and in G20 countries.

As an example, the solution designed for Turkey enables merchants' transactions to be reported to the tax authorities. At the point of sale, the product supplied to merchants combines cash register, payment terminal and printer features. All merchants' card or cash sales are stored indelibly in a fiscal memory and electronic sales register, enabling the authorities to have better control over financial transactions and to combat VAT fraud. This development was introduced following the adoption in 2012 of a law requiring all merchants to have a payment terminal with a fiscal module connected *via* the Internet to the Ministry of Finance. At the time, many multinational companies set up a payment solution that met the new legal requirements. Since this first initiative, Ingenico Group has extended its range of financial traceability solutions with the iWE280 and iDE280 products to cover larger numbers of merchants. 31,000 fiscal memory terminals were distributed in 2019, bringing the number of terminals installed to more than 250,000.

In Russia, the use of cash registers is regulated by Federal Law 54. To comply with these regulations, merchants must be equipped with a cash register certified by the Russian Tax Service. To do so, the cash register must be connected to a fiscal module *via* servers dedicated to the processing of tax data (Fiscal Data Operators).

Ingenico has adapted the Android APOS A8 terminal to meet this need. By leaving a dedicated space on the terminal for the addition of a fiscal module and by making connection possible within the terminal, Ingenico enables its terminal to become a cash register compliant with the regulations. Ingenico has collaborated with collection solutions supplier Shtrikh-M to support its solution on this terminal and certify it with the Russian Tax Service. This solution began to be deployed on the Russian market in the second half of 2019.

New solutions are expected to be deployed in other countries over the coming years, in line with the regulations adopted. Accordingly, specifications for automatic registration of tax data are currently being defined in Poland and are being studied in many African countries.

Apart from providing assistance with the collection of VAT, Ingenico offers solutions for the efficient collection of one-off, specific taxes. The best illustration of this is the Group's long-term collaboration with its Kenyan partner, Tracom, on a tax collection solution in Nyeri County. This initiative was sponsored by Equity Bank and reinforces the emerging culture of electronic payments in the country. Agents equipped with Ingenico terminals and an app developed for the collection of fees and taxes (parking fees, property taxes, market stall fees, etc.) can now collect payments directly from taxpayers. This system enables better traceability of the funds collected and

(1) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/ sustainable- development-goals/.

effective cost reduction thanks to its fully electronic process. In this way, residents can pay local government fees from their workplace, without wasting time commuting or waiting in line.

Solutions for secure, inclusive redistribution of tax collected

In order to ensure society shares in the benefits of domestic growth, the State must be just as stringent in the payment of social benefits. In Zambia, Ingenico Group and its partner Paycode have implemented a system for the payment of subsidies to farmers. Ingenico's biometric solution has enabled the Zambian government to pay $27.2 million in aid to almost 200,000 farmers. Once registered on the system, which simply requires a fingerprint, farmers can spend their allocation in a secure, closed-loop environment and make the investments necessary to increase their productivity.

Ingenico developed a similar system in Iraq, in partnership with QiCard. It involves the production of biometric cards that holders, once they have registered, can use to transfer funds, withdraw cash, receive their pension from the State or their salary from their private sector employer *via* Ingenico biometric terminals. Thanks to the partnership with Mastercard, the second-generation cards are even capable of making in-store EMV transactions. Since it was launched, this program has been a resounding success, helping to reduce fraud significantly, while widening access to the service. At the end of 2019, more than 7.4 million biometric cards were in circulation and Ingenico Group had equipped the branches of 12 banks operating in Iraq with 15,000 biometric terminals.

2.4.7.2 Solutions for financial inclusion

These solutions aim to provide all individual and business customers with access to lower-cost financial services appropriate to their needs. Significant progress has been made in recent years. According to the World Bank, in 2017, 69% of adults had access to a bank account or a mobile banking service, compared to 51% in 2011. However, 1.7 billion adults are currently still financially excluded[(1)]. Ingenico Group's financial inclusion solutions meet this need and provide these populations with the tools they need to overcome poverty (SDG 1[(2)]). More specifically, the Group provides access to financial services (transfers, savings, loans) for hard-to-reach communities (people on low incomes, rural households, senior citizens) (SDGs 1 and 8) and it supports the development of microbusinesses by providing appropriate credit solutions (SDGs 8 and 9).

Access to financial services for unbanked populations

Since 2013, Ingenico Group and its partner eMoney have been working in West and Central Africa to roll out a solution that offers access to low-cost, secure financial services to those on low incomes. This solution, which is installed on Ingenico's iWL mobile terminals, enables users to transfer money, pay bills and access banking services, as well as purchase mobile phone top-up credit. It has been launched in several countries including Benin, Ivory Coast, Burkina Faso, Niger, the Republic of the Congo (Brazzaville), Cameroon, Togo, and Guinea.

Based on this solution, a roaming savings and account-opening service was also launched nearly four years ago in Cameroon, in partnership with a local microfinance institution (MFI).

In East Africa, Ingenico Group provides Branchless Banking technology in partnership with Tracom for local banks looking to provide services in rural areas, through a network of "agents" who are recruited among local merchants and trained by the bank. Using a mobile device, "agents" can register new customers, activate their cards and enable customers to make deposits or withdraw money. This branchless banking solution is giving financially excluded people access to banking services in remote areas, at a lower cost, thereby overcoming the barriers of geographic access, basic financial knowledge and language. Today, more than 90,000 banking agents equipped with Ingenico terminals give the population access to financial services.

FINANCIAL INCLUSION

(1) *Global Findex Database 2017: https://globalfindex.worldbank.org/.*

(2) *For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.*

2.4.8 Responsible purchasing

With nearly €1 billion spent in 2019, managing responsible purchasing plays an essential role in Ingenico Group's social responsibility.

Ingenico Group expects all its suppliers to meet the requirements set out in its code of ethics and business conduct, including the prohibition on child and forced labor, occupational health and safety, environmental protection, and the prevention of fraud and corruption.

For several years now, the Group has been developing its approach to responsible procurement through its purchasing policy, evaluating and monitoring its suppliers, incorporating environmental and social criteria, in order to minimize the risks and maximize the opportunities arising. This incremental approach involving many external and internal stakeholders has led in particular to the development of a specific action plan for responsible purchasing integrated into the SHARE program.

Ingenico Group's supply chain falls into two main categories: direct purchases or production purchases that are required for the manufacture of terminals, and indirect purchases that are not associated with product manufacturing.

2.4.8.1 Responsible purchasing policy and CSR risk mapping

In 2018, Ingenico Group created two key tools for the development of its approach to responsible purchasing: a specific policy and an initial supplier risk mapping.

2.4.8.1.1 Responsible purchasing policy

The Group's responsible purchasing policy is in keeping with its ambition of creating sustainable growth and value for all its stakeholders. It is built on five commitments:

- maintain fair relations with our suppliers;
- promote high labor and human rights standards through our supply chain;
- promote high environmental standards through our supply chain;
- promote high ethical standards through our supply chain;
- avoid conflict minerals and other controversial substances in our terminals.

In 2019, this policy, which is available online[(1)] for consultation by all stakeholders, was shared with all employees in the Group, so that everyone can understand the responsible purchasing approach and apply its principles in their day-to-day business activities, whether they are a buyer by profession or an occasional purchaser.

2.4.8.1.2 Supplier CSR risk mapping

Having completed initial work to map the supply-chain risks associated with modern slavery, mainly to comply with British legislation (the UK Modern Slavery Act), Ingenico Group decided to extend this work to encompass its entire supply chain and all CSR issues.

In partnership with EcoVadis, a specialist in supply chain CSR, Ingenico Group has produced a risk mapping covering all of its suppliers (excluding Landi). Two studies were carried out for this purpose: firstly, an in-depth analysis of direct purchases, *i.e.*, 17 types of purchase and 228 suppliers, and a second analysis of indirect purchases, covering 78 different categories of purchase. Various criteria were considered, including country risk, sector and the Group's level of dependence on specific suppliers.

This mapping covers social, environmental and ethical risks and has several objectives. These include providing a better understanding of the supply chain and prioritizing the actions to be taken according to the risks and suppliers identified.

This initial analysis showed that the greatest risks relate to direct purchasing and that the priority is for actions to be taken in respect of production suppliers.

In addition, the CSR risk mapping of Landi's suppliers will be finalized during 2020.

2.4.8.2 Selection of suppliers

Ingenico Group incorporates CSR criteria into the selection process for its component suppliers. Their weightings are 5% for Ingenico's and for Landi's suppliers. They cover various topics relating to working conditions, health and safety, the environment and ethics.

2.4.8.3 Contractual obligations, evaluation and monitoring of suppliers

2.4.8.3.1 Direct purchases

Direct purchases accounted for expenditure of €570 million in 2019. As the production of all its terminals is outsourced, Ingenico Group pays particular attention to the responsible management of its supply chain. By imposing social and environmental standards on its Tier 1 and Tier 2 suppliers, the Group is helping to create decent work and economic growth (SDG 8) and reduce the impacts of its business activities on the environment (SDGs 12 and 13[(2)]).

(1) *https://cdn.ingenico.com/binaries/content/assets/corporate-en/about-ingenico/responsible-purchasing-policy.pdf.*

(2) *For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.*

Terminal assembly

In 2019, Ingenico Group used two Tier 1 suppliers for the assembly of payment terminals (excluding Landi and Healthcare): Jabil and Flex. These two companies have signed up to the code of conduct of the RBA (Responsible Business Alliance), thereby ensuring a supply chain that meets the highest standards in terms of environment, labor rights and social justice in the electronics sector.

Ingenico Group ensures rigorous control over the assembly plants of its two suppliers responsible for assembling Ingenico terminals and, specifically, has teams of Group employees at the main sites in Brazil, Malaysia and Vietnam. Their role is to oversee the assembly lines on a daily basis and ensure that operations comply with the rules set forth by Ingenico Group. Their constant presence at the assembly plants allows dozens of audits to be completed per year. In addition, Ingenico Group's Industrial Operations Division and its Quality Department visit the various plants at least once every quarter. When practices that breach the Group's principles are identified, the supplier is immediately informed. This is followed by a process of discussions and the implementation of corrective actions. All assembly plants have ISO 14001 environmental certification.

During 2019, Ingenico Group made the strategic choice to continue working with only one of these two suppliers, *i.e.,* Jabil.

Assembly of the Landi entity's terminals in China has been completely outsourced since its production site closed in 2018. The terminal assembly plants of its two suppliers, Jofee and Malata, are also ISO 14001-certified. This means that, in 2019, all Group terminals were assembled at industrial sites with ISO 14001 environmental certification.

Component manufacturing

Upstream of the assembly chain, Ingenico works with a community of Tier 2 suppliers based primarily in Hong Kong, China, Taiwan, Vietnam, Thailand, Malaysia and Brazil. Ingenico Group expects these component suppliers to comply with the same standards that the Group sets for itself. These have been formally documented in a CSR agreement that all active component suppliers must sign. It stipulates Ingenico Group's expectations *vis-à-vis* its suppliers regarding labor and human rights, health and safety, environmental protection, ethics, and their internal organization with regard to these issues. It lays out the minimum requirements that all suppliers must meet when working with Ingenico Group.

The Landi entity's approach in China is identical with regard to its suppliers. In fact, active suppliers of components must sign a CSR agreement in which they undertake to comply with the requirements concerning labor law and human rights, as well as health, safety and environmental protection. They must also sign the Group's code of ethics. These agreements also require suppliers to cascade the Group's requirements down their own supply chains.

As of December 31, 2019, out of 116 suppliers of Ingenico's strategic components, 81% have signed a CSR agreement or have demonstrated their membership of the RBA. With regard to the 118 Landi suppliers, this percentage is 55%.

In order to evaluate the CSR performance of its second-tier suppliers (excluding Landi), the Group launched an evaluation campaign of its strategic suppliers using the EcoVadis tool in the light of the risk mapping carried out in 2018. This made it possible to evaluate 36 suppliers, using the EcoVadis platform. This approach to evaluating the CSR performance of suppliers using the EcoVadis tool is intended gradually to replace the self-assessment questionnaire previously used. It will be put in place by the Landi entity in China in 2020.

In addition, the Quality Department continuously audits the various component suppliers around the world, when assessing potential new suppliers or launching new projects. Ten specific CSR items have been assessed as part of these audits since 2018. The auditors check a number of points relating to working conditions, health and safety, the environment and ethics. Where non-compliance is identified, the supplier is asked to take remedial action. In 2019, a total of 47 audits incorporating these CSR topics were conducted (out of 65 audits of strategic suppliers).

As part of its **SHARE** program, launched in 2019, Ingenico Group has set itself a goal for evaluating the CSR performance of its strategic suppliers through its self-assessment questionnaire, the EcoVadis platform or on-site audits:

2023 objective	2018 reference	2019 objective	2019 Status
80% of component suppliers identified as high or severe risk will be evaluated on their CSR performance and corrective actions will be implemented if necessary.	74% of strategic component suppliers 38% of component suppliers with high and severe risk	76% of strategic component suppliers 50% of component suppliers with high and severe risk	78% of strategic component suppliers 55% of component suppliers with high and severe risk

Sourcing of minerals

Ingenico Group intends to increase the traceability of its supply chain beyond its Tier 2 suppliers. Specifically, the Group ensures that the minerals that go into its terminal components do not benefit armed groups that violate human rights in the Democratic Republic of the Congo and neighboring countries (conflict minerals).

As initially requested by certain customers in the context of the US Dodd-Frank Act, the Group periodically assesses the supply chain with regard to the origins of "3TG" minerals (tin, tantalum, tungsten, and gold) in its products. In 2019 this evaluation which was carried out in close collaboration with Jabil using the reporting tool provided by the RMI (Responsible Minerals Initiative) covered 100% of suppliers of the components used in Ingenico terminals. At the end of this evaluation, Ingenico Group asked suppliers using at-risk smelters to put in place the necessary corrective actions. An evaluation of the suppliers of Ingenico and Landi was launched late 2019 and will be completed in the first quarter of 2020.

The Group also strengthened its control over the provenance of cobalt, another controversial substance potentially present in its terminals. It is controversial owing to child labor and dangerous working conditions in certain mines. Driven by the RBA and the RMI, a standardized reporting template for cobalt was made available, as a pilot, in 2018. Ingenico Group has tested this template on its suppliers, where relevant. The analysis of risks associated with the use of cobalt in its terminals will be intensified in 2020 since the RMI reporting model finally reached maturity in 2019 and since its list of refiners has been completed.

The Group's responsible purchasing policy includes a dedicated section on minerals sourced from conflict zones and other controversial substances.

2.4.8.3.2 Indirect purchases

Amounting to €400 million in 2019 (Excluding Bambora's entities), indirect purchases are essential for the smooth operation of the Group. Indirect procurement covers various goods and services, from IT or office equipment to the services of external consultants. As with production suppliers, all suppliers of these goods and services are required to sign the Group's code of ethics. In addition, in 2019, in order to extend its responsible purchasing approach to indirect purchases, Ingenico launched the CSR performance evaluation of its goods and services suppliers through the EcoVadis platform. The evaluation campaign conducted in 2019 involved 45 suppliers, 62% of which were evaluated as of December 31.

2.4.8.3.3 Integrity of service providers

Ingenico Group has set up an internal policy to check the integrity of its service providers, further strengthening the resources deployed to combat any illegal or unethical practices. This further strengthens the resources deployed to combat any illegal or unethical practices.

2.4.8.4 Local initiatives on responsible purchasing

With regard to indirect purchasing, a large number of entities in the Group have put in place reasonable due diligence measures: evaluation of potential suppliers, application of social and environmental criteria as part of the selection process (40% of the Group's entities), CSR agreements or clauses and audits. The intention is that these will be standardized gradually. Some examples of best practices are set out below.

- In Germany, the Group assesses the CSR risks of its largest suppliers, as well as any new suppliers. Suppliers must also comply with the local procurement policy, which includes observing the principles of the United Nations Global Compact, the conventions of the International Labor Organization, and the Group's code of ethics.
- In the United Kingdom, potential suppliers must complete an evaluation comprising a section on social, environmental and ethical issues.
- In Mexico, Australia, the Philippines and Thailand, many checks are carried out upstream to check whether suppliers meet certain criteria.
- In Italy and Indonesia, suppliers are selected only if they comply with certain legal obligations such as payment of the minimum wage, for example.

In 2019, none of Ingenico Group's suppliers or subcontractors were considered to represent a risk of breaching the International Labour Organization conventions.

2.4.8.5 Local sourcing

Several Group entities are committed to using local suppliers. For example, the Canadian entity endeavors whenever possible to work with providers located within a restricted radius of its facilities to organize its team events, which helps to raise awareness among its employees of the importance of working with small local firms to support the economy.

2.4.9 Contributing to local development

By prioritizing the hiring of local residents, Ingenico Group is committed to boosting employment in the countries in which it operates. The Group is also committed to supporting the development of communities around its facilities through a range of initiatives, as presented below.

2.4.9.1 Supporting innovation

The payment ecosystem is constantly evolving. To meet this need for constant innovation, five years ago Ingenico Group created a dedicated Innovation Department, called Ingenico Labs. Composed of marketing experts, engineers, researchers, and decision-makers from strategic partners, the department works closely with all Group entities to define the merchant practices of tomorrow. This agile structure works with startups and experiments with other key stakeholders in the development of payment systems, such as Fintech corporations and leading digital technology firms. Startups are sometimes financed either through the Partech Ventures risk capital fund or by Ingenico Group directly, as was the case in 2018 for Joined App, a chatbot specialist.

In 2019, Ingenico created a startup incubator dedicated to trade and Fintech in collaboration with CaixaBank and Global Payments. This incubator, called Zone2boost, is located in Barcelona.

2.4.9.2 Technology for fundraising

Ingenico Group uses its payment services to collect donations to charitable organizations. The Group works either directly with the charities, or in partnership with its customers.

In 2019, €173,451,435 were raised for hundreds of charities through terminals or online, using Ingenico Group payment services.

The most common solution is the micro-donation, which is made through payment terminals in partnership with retailers. It allows in-store customers to round up the amount of their purchase to the nearest euro or to add a fixed donation for the benefit of a charity. This solution is now available on our terminals in three countries: France, the United Kingdom and Spain. In France, Ingenico Group has been in partnership with microDON since 2015 to deploy the *Arrondi* solution on the payment terminals used by many of the Group's retail customers and connected to Axis, Ingenico's transaction centralization platform. In 2019, 11.4 million micro-donations were made, amounting to nearly €2.7 million raised by the end of the year for charities supported by the six partner retailers. In the United Kingdom, the Pennies solution has been rolled out on nearly 6,500 standalone terminals operated by more than 30 partner retailers and enabled more than 1.1 million donations to be collected in 2019. Since 2011, this solution has been used to collect nearly £2 million for 68 charities. Lastly, the Group signed a new partnership this year with Worldcoo, which allows micro-donation to be offered in Spain.

The Group also lends terminals to support various fundraising initiatives. For example, in 2019, the French entity renewed its support for AMREF, the largest public health NGO in Africa by providing TETRA payment terminals for events in Paris and Monaco. In addition to this, the French entity was able to provide terminals to collect donations at two different events organized by the Women's Foundation, which is the reference foundation for women's rights in France. In the United Kingdom, the Group once again sponsored the Cards & Payment Awards, and the terminals and connected screen it provided helped to raise several hundred pounds in aid of Anthony Nolan, a charity that helps children living with blood cancer. Since 2010, Ingenico Group has helped to raise more than £70,000 for various charities during this event.

Ingenico Group also makes an active contribution to fundraising through its online payment services, which it offers to NGOs at preferential rates. In 2012, the Group joined forces with iRaiser, an online fundraising platform for non-profit-making organizations, providing a payment solution for accepting one-off or recurring donations in France and internationally. From this year, Ingenico has a new partner: GiveXpert. This strengthens Ingenico's position as a leader in the online donations market in France. Thanks to this network of partners, the Group addresses the needs of more than 150 NGOs, plus 52 other online NGO customers, including Greenpeace and Amnesty International. The number of transactions varies from 30,000 to 300,000 in December, when most online donations are made.

As part of its **SHARE** program launched in 2019, Ingenico Group has set itself a goal for the collection of donations. This goal reinforces the Group's efforts to collect donations, which allows hundreds of charity projects to be financed each year. For example, in 2019, micro-donation on the payment terminal at Franprix allowed La Cloche to finance its Le Carillon [Chime] project, which recreates links between homeless people and residents of a neighborhood.

2023 objective	2018 reference	2019 objective	2019 status
Increase the volume of annual donations by 100% through our solutions, *i.e.*, 20 million transactions	10 million transactions	12 million transactions	19.4 million transactions

2.4.9.3 Philanthropic activities and support for charities

Ingenico Group supports various local associations through donations or at events and fundraisers.

Every year, Bambora raises funds for charitable organizations at events run by local ambassadors in the various countries in which it operates. Bambora decided to send humanitarian New Year cards to its customers in aid of Clowns Without Borders.

In Canada, the Group supported the Toronto Food Bank (a charity benefiting local communities), while in Australia, it supported the Cancer Council, which provides help for people with cancer, and TLC for Kids, which works with sick children and provides support for their families.

In Singapore, Ingenico Group took part for the sixth time in the Bloomberg Square Mile Relay charity run, which raises funds for Sports Care.

In the United Kingdom, the Group has supported charities for many years. In 2019, various events took place to raise funds for the Guide Dogs Scotland (dogs for the blind), Mind (people with mental health issues) and MNDA (people with neurological diseases) charities.

In Australia, Ingenico supported various charitable events, such as the Good Friday Apple for disadvantaged children, Australia's Biggest Morning Tea for cancer research and Prostate Awareness for men's health.

For several years now, the entity in India has supported numerous charity projects, such as support for disadvantaged girls, planting trees, and participation in infrastructure financing for people in need.

Lastly, in Belgium, €1,500 was collected for charity by the employees and this amount was matched by Ingenico.

2.4.9.4 Education-related initiatives

Education is of the utmost importance in our work environments. That is why Ingenico Group builds close relationships with the education and student sectors, as illustrated by its funding for doctoral students, its scholarships, its participation in careers events, partnerships and programs, as well as the opportunities it provides for apprentices and interns (SDG 4).

In France, the Group is a member of the Skills Development Committee of a partner school, ESILV, providing a professional expert perspective so that teachers can adapt their programs according to developments in the business world and the school can adapt its training to match the expectations of future employers. In 2019, Ingenico Group contacted the Global MBA Consulting Project at the EDHEC Business School in northern France, so that students were able to conduct market research into merchant and acquirer solutions for the payment sector and assess the perceived value of new Ingenico products and services. This reciprocal relationship between business and academia allows students to put theory into practice and the Group to harness new resources and knowledge.

Ingenico is a partner of *Elles Bougent* (Girls on the Move), a voluntary association whose main ambition is to strengthen the diversity of companies in the industrial and technological sectors by raising awareness in the educational community. As such, the Group encourages more young girls to become engineers in the aeronautics, automotive, energy, rail, maritime, space, digital, building and agri-food sectors. Our partnership actions and our eight patronesses are there to help them find about the sectors, the professions and how to get trained.

The Group also enabled an employee from its Valence site to be seconded to the ESISAR engineering school at INPG *(Institut National Polytechnique de Grenoble)* in Valence for a teaching assignment. Ingenico Labs is also providing funding to two doctoral students from the IT Security and Cryptology Department at the *École Normale Supérieure*.

In the United States, Ingenico participated in a program at Georgia State University in 2019 aimed at educating students about careers in the payment sector.

The various entities of the Group regularly take on interns and those on work/study programs so that they can acquire new skills and develop their knowledge.

In France, Ingenico attended the ENSICAEN Entreprises–Students recruitment forum to meet students who are training in electronic financial transactions. This informal encounter was an opportunity for presenting the Group's business lines during mini-interviews on the Ingenico stand and offering them company internships.

Ingenico also attended the meeting at the invitation of *Grenoble École de Management* to take part in 2020 in the second edition of the recruitment of autistic young people to a company internship as part of preparing for the Datasperger certificate.

At Ingenico Labs, two projects are funded by a European Union digital innovation entity, EIT Digital. These two projects are Voice Commerce and Self/No Checkout. As part of this funding, Ingenico has made a commitment to collaborate for six months with four trainees drawn from students of the Master Innovation EIT Digital programs in European partner universities.

In China, the Landi entity organized a software development competition in partnership with Xiamen University, which enabled students to enjoy an excellent opportunity for practical application. The university has also developed a base of student interns for the Landi entity.

2.4.9.5 Support for communities with specific needs

With the increasing use of touch screens in payment services, the R&D teams at Ingenico Group are working on an innovative solution to help visually impaired or blind people to enter their PIN code on this type of technology. This solution is based on an add-on in the form of an intelligent grid linked to a software solution integrated into the payment application. By guiding the hand movements of blind or partially-sighted people, this solution makes touch screen keyboards as easy to use as physical ones. Having applied for a patent in 2017, Ingenico Group worked closely with the Valentin Haüy association, a charity with a long history of providing assistance to those with visual impairments. This partnership made it possible for Ingenico Group to test and refine prototypes, to ensure they match the requirements. The Group intends to pilot this initiative in 2020. If these field tests confirm that there is a market for and benefits from this solution, industrial-scale production will be launched in the longer term. At the same time, Ingenico Group has developed a simpler solution in Brazil dedicated to certain terminals. This new solution, called "Easygrid", is a small plastic keyboard that can be added to Android terminals. This is a PCI (Payment Card Industry) certified solution that is now available on a Group-wide basis. The Group plans to continue its innovation process to provide the blind and visually impaired with even more aids for electronic transactions.

In France, Ingenico Group launched a partnership in 2016 with the association *Nos Quartiers ont des Talents* [Our Neighborhoods have Talent], which promotes the integration of young job seekers from priority neighborhoods and disadvantaged backgrounds into the workplace. Through this initiative, Group employees can sponsor young graduates and support them in their job search.

In another area, through its work with specialist organizations such as Cèdre and Elise, adapted enterprises responsible for the office waste sorting system in France, Ingenico Group contributes to the occupational integration of people with disabilities. In 2018, the Group entered into a partnership with Handeco, a charity whose goal is to put ESATs (assisted employment centers) and EAs (adapted enterprises) in touch with private companies or public sector employers. Lastly, the Group has sponsored an employee who has been involved for several years in the *Croisière de Pen Bron*, which helps those left severely disabled as the result of an accident to enjoy a couple of days sailing.

The entity in the United Kingdom carried out a collection of Christmas presents from employees in partnership with local charities that were responsible for redistributing them to disadvantaged children.

The entity in the United States supports homes where teenagers from disadvantaged backgrounds live by means of quarterly financial assistance and the donation of Christmas presents. Later on, a volunteer project in these homes is envisaged as part of a community service.

In Mexico, three bicycles were built by Ingenico employees during a team-building exercise and then given to children so that they could go to school.

In Singapore, the local entity is working with a state agency to promote the employment of Singaporean residents who have been looking for jobs for a long time.

In Belgium, eight Group employees took part in the Brussels 20 km run to raise funds that were redistributed to the Service The City association, which helps the homeless, refugees and orphans.

2.4.10 Mobilization of stakeholders through ongoing dialogue

From partners, distributors, shareholders, the financial community, and customers to suppliers, payment industry players, NGOs and public authorities, Ingenico Group strives to maintain regular and transparent dialogue with its external stakeholders (see Chapter 2.1.4, entitled "Dialogue with stakeholders").

2.4.10.1 Events

Operating as it does in a BtoB environment, Ingenico Group participates in and organizes a number of key events to maintain or forge links with its various stakeholders: partners, customers or prospective customers. The Group makes sure it is represented at the major trade fairs for the payment and Fintech industries.

As part of its transformation and the move towards focusing on services aimed directly at merchants, Ingenico Group is committed to increasing its presence at events dedicated to retail and e-commerce. In 2018, for example, it took part in NRF: Retail's Big Show in New York, the Retail Expo trade show in London and Paris Retail Week. The Group also participates in events aimed at certain verticals in the SMB and Retail Enterprise segments, such as gaming (ICE London) and transport (Transport Ticketing Global), Venditalia and One to One Monaco, as well as events with standardization bodies such as Nexo.

Ingenico Group also took part in the Mobile World Congress in Barcelona, which enabled it to showcase its expertise in mobile payment and the mobile consumer experience.

2.4.10.2 Customers

The INGAGE program is central to the transformation of the customer experience within the Group. Ingenico Group has opted to step up this transformation by focusing it on two pillars:

- Manage IN!: rolling out the CRM (Customer Relationship Management) platform, with the aim of improving operational excellence, digitizing the customer experience and bringing teams in line around common practices and a customer-centered culture at a global level. By gradually migrating all the Group's customer-facing employees to the Salesforce.com CRM platform, the Manage IN! aspect of the program makes it possible to build a 360-degree view of customers and at the same time consolidate information, enabling the Group to better serve its customers and respond to their needs;
- Client IN!: measuring customer satisfaction worldwide, with the aim of assessing the power of the brand, the level of innovation offered to customers, the performance of the sales and customer service teams, as well as how products and services meet the needs of the Group's customers. Client IN! then assists with the preparation and implementation of action plans designed to have a direct bearing on customer satisfaction.

2.4.10.2.1 Customer relationship management

In 2019, more than 2,200 people spread across the five geographical areas of EMEA, NAR, LAR, APAC and China, use the Customer Relationship Management (CRM) platform. The sales and management teams now manage their customer portfolios, the business opportunity pipeline and sales forecasts uniformly. This enables Ingenico Group to significantly improve sales forecasts and better identify growth opportunities in order to tailor the Group's investments.

Within the Retail BU, teams can also manage marketing campaigns on the CRM platform, in order to boost the acquisition of new customers. After-sales service teams can respond more effectively to customer requests and instantly measure customer satisfaction using CSAT (customer satisfaction transactional measurement tool).

In 2020, the CRM platform will be enhanced with new features, so as to continue to improve our customers' experience from "acquisition to onboarding", increase the effectiveness of marketing campaigns and enhance their impact with targeted communication, provide a self-service solution to all Ingenico Group partners, and implement shared solutions to improve customer service center performance across the Business Units.

Actions are also underway in certain entities such as Brazil, where an event called the "Ingenico Xperience" took place, bringing together customers, industrial groups and other stakeholders.

2.4.10.2.2 Satisfaction surveys

In February 2019, for the seventh consecutive year, Ingenico Group launched a customer satisfaction survey, "Client IN!". This year, the survey was sent to all countries and regions within the Group, with the exception of China, but including recent acquisitions such as Bambora. The survey was made available in 18 languages. The information collected from more than 6,800 questionnaires received made it possible to analyze customers' loyalty, their perception of the brand and their satisfaction level, looking at aspects such as innovation, performance, terminals, applications and services, sales and support.

The Net Promoter Score(1) (NPS) shows that Ingenico Group is seen as a strong brand globally, with quality products that are easy to use. The survey also enabled the Group to put in place concrete initiatives to continue its work on customer relationship management, by identifying opportunities for development.

Changes in NPS by geography and Business Units are analyzed year on year. This score measures not only the impact of the Group's initiatives but, first and foremost, the quality of the relationships established over the years with its customers, and their confidence in the Group.

The customer voice is essential to the development of Group strategy and customer focus is now its highest priority. In continuing the actions undertaken so far, from 2019 the sales teams will have a variable component of their salary linked to their entity's NPS.

2.4.10.3 Business and technological partners

Ingenico Group has a large number of partners, including product distributors and technology partners. The Group believes that it is essential to share its expertise and know-how with them so that they can develop alongside Ingenico.

In order to share the latest innovations and inspirational initiatives of the B&A Business Unit with its partners and customers, Ingenico Group distributes an e-newsletter called in-Live NEWS.

In Canada, the Group's partnerships have been widened in scope, to keep in step with developments in the payment ecosystem. In 2018, Ingenico Group therefore developed, in partnership with Prodigy Ventures, a demonstration of the "One Tap Proof of Age" concept. This solution has been developed on connected screens and makes it possible to check a customer's age when they pay for certain products, such as alcohol or cannabis, which was recently legalized in the country. Discussions are being held with government bodies and merchants regarding the roll-out of this solution. On another note, the Group continued working in partnership with MaRS, a specialist in digital transactions, virtual shopping and enhanced experience, and Communitech, a specialist in providing support to technology companies. It is also a partner of the Retail Council of Canada, which represents more than 45,000 retail stores in the country.

In the last few years, Ingenico Group has also developed strategic partnerships with key players in their respective fields to collaborate on mutually beneficial initiatives.

Ingenico Group is thus working with Intel to enable new connected devices to accept secure payments and is consolidating its expertise in the Internet of Things.

Lastly, Ingenico Group has been collaborating with Google since 2015 to facilitate international online sales. The Market Finder platform, based on the combined expertise of Google and Ingenico ePayments, enables merchants to explore and identify new opportunities for growth, establish their business internationally, and sell their products more easily outside of their home country.

2.4.10.4 Shareholders and investors

The support and loyalty of its private and institutional shareholders are crucial to Ingenico Group's long-term development. The Group's relationship with its shareholders is built around mutual confidence and trust, open dialogue, and regular contact.

2.4.10.4.1 Extensive meetings with the financial community

Ingenico Group holds regular conference calls and investor meetings when publishing its interim and full-year financial statements (after close of trading). In addition, the Group frequently takes part in technology and payment sector conferences and roadshows, particularly in Europe and North America. In 2019, Ingenico Group took part in 12 investor conferences, 21 roadshows, and two trade shows in the United States, Canada and Europe (Paris, London, Frankfurt, Milan, Nordic countries, etc.). More than 288 face-to-face meetings or conference calls were held in total, enabling the Group to meet more than 615 financial institutions and 730 investors.

2.4.10.4.2 Stronger financial communication tools

The Finance section of the website www.ingenico.com is regularly updated and is home to all financial documentation (publications, management reports, investor presentations) and regulated information (Universal Registration Document). Here, investors can also find the Group's key figures in Excel format, as well as the consensus estimate, which is regularly updated. In addition, shareholders can also access a tool for calculating their average annual performance.

2.4.10.5 Ingenico Group's industry collaborations

Since its creation, Ingenico Group has been an active member of the Card Stakeholders Group (CSG), an organization linked to the European Payment Council (EPC) and responsible for the definition and maintenance of the main operating and security principles for card payments in the Single Euro Payments Area (SEPA). In 2016, the CSG became independent of the EPC and was renamed the European Card Stakeholders Group (ECSG). Ingenico Group maintains a very active role in its work and is a member of its management committee.

In addition, Ingenico Group actively participates in the various tasks of the Nexo standardization body. As a result, the Group is a member of the Board of Directors and of the Nexo Fast, Nexo IS, Nexo Acquirer and Nexo Retailer technical working groups. In addition to managing the mobile acceptance working group, Ingenico co-chairs the strategy working group, the Nexo TMS technical working group and, since 2018, the security working group. Lastly, one Group employee works on behalf of Nexo for a total of 155 working days per year on technical tasks.

(1) NPS: An indicator of customer loyalty that consists of asking customers: "How likely is it that you would recommend Ingenico?". The answer is given on a scale of 0 ("Highly unlikely") to 10 ("Highly likely"). The NPS is obtained by taking the percentage of customers who have answered 9 or 10 (promoters) and subtracting the customers who have answered 0 to 6 (detractors).

Ingenico Group has also strengthened its involvement in the European Payment Institutions Federation (EPIF). The EPIF represents and protects the interests and positions of payment institutions with various European organizations, including the European Retail Payments Board, in particular. Ingenico represented the EPIF within the ERPB SCT Inst at POI working group, created at the beginning of 2019, and published its report in November 2019.

For several years, Ingenico Group has served on the advisory board of the Payment Card Industry Security Standards Council, an open international forum on the development, improvement, storage, dissemination and ongoing implementation of security standards to protect bank card data.

The PCI's mission is to improve the security of these payment-related data by promoting education and awareness of PCI security standards and by conducting certification programs such as PCI PTS for payment terminals and PCI DSS for transactional platforms. The organization was founded by American Express, Discover Financial Services, JCB International, Mastercard and Visa Inc.

Since 2014, Ingenico Group has been part of Global Platform, a group that aims to improve the security and interoperability of multiple applications embedded in microprocessor technology. The Group aims to support the needs of smart device suppliers, such as smartphone and tablet application developers, and device manufacturers. The development of this technology is crucial for mobile wallets, NFC (near field communication) payments, premium content protection and "bring your own device" (BYOD) initiatives.

In connection with its business, the Group maintains regular dialogue with international payment schemes on regulatory and technical matters (Visa, Mastercard, American Express, CUP, etc.), both through its local entities and centrally.

In each country, the Group's local entities are also in contact with various key players in the payment and new technology sectors.

In France, Ingenico Group has been a member of the Mobile Marketing Association France since 2018. This is an organization that is dedicated to marketing, advertising, CRM and commerce on smartphones, tablets and connected devices.

Ingenico ePayments is also a member of the *Fédération du e-commerce et de la vente à distance* (FEVAD, the French e-commerce and distance selling federation), a non-profit-making organization that aims to support the ethical and sustainable development of e-commerce and distance selling in France.

Ingenico ePayments has also been a member of ACSEL, the French digital economy association, for more than 10 years. ACSEL is the French digital transformation hub.

In Australia, the Group is in contact with various industry organizations, including the Australian Payment Clearing Association (APCA).

In India, Ingenico Group is a member of the PCI (Payment Council of India) within the IAMAI, the Internet and Mobile Association of India. Through this organization, it meets with other industry operators to discuss shared business and commercial issues.

Lastly, in Brazil and Colombia, a partnership has been set up with ABFintech and Colombia Fintech to enhance brand image in the innovation ecosystem. In addition, monthly meetings and business events are organized with Abecs (Brazilian credit cards and services association), Afrac (Brazilian trade automation association) and the French Chamber of Commerce.

In the United Kingdom, the entity joined the North West Chamber of Commerce in 2019.

2.5 INGENICO GROUP'S ENVIRONMENTAL APPROACH

Key indicators 2019

18,005.1 MWh of electricity consumed of which **8%** from renewable sources	**377.9 tons** of end-of-life terminals collected and treated	**27.1 kgCO_2e** per installed terminal	**80%** of data centers in Europe use electricity from renewable sources	**81%** of countries where the Group is present have a recycling program for end-of-life terminals

As a global leader in payment services, Ingenico Group has a key role to play in controlling the environmental impact of the payment chain. Although dematerialized solutions have less of an impact than other means of payment, such as checks or cash, the Group recognizes that its environmental footprint exerts pressure on the natural resources and global warming that it strives to bring under control.

2.5.1 ISO 14001 certified environmental management system

Environmental protection is now an indisputable concern and controlling the environmental impact of a company's activities requires a structured approach if it is to be sustainable.

This is why Ingenico Group uses an environmental management system that is ISO 14001:2015 certified. As the recognized international standard for environmental management, ISO 14001 provides the framework for determining the program of measures and procedures that can help companies gain better control over the environmental impact of their business, products, and services. The entities in China and Spain have their own ISO 14001 certified environmental management system.

It in fact lays down a number of environmental practices, such as compliance with the applicable regulations, the identification of environmental impacts, and the definition of continuous improvement objectives.

2.5.1.1 Environmental charter

As a global leader in the payment industry, Ingenico Group has a key role to play in reducing the environmental impact of the payment chain.

We fully accept our responsibility for protecting the planet, including pollution prevention in all our business activities by adopting best practices and developing low-impact solutions.

The environment is one of the four spheres of action of SHARE, our Corporate Social Responsibility (CSR) program.

To manage our environmental impacts in the most responsible way and to control our footprint, we undertake to:

- **develop the eco-design of our products and services**

  Our approach to eco-design is part of a global initiative that takes into account the entire life cycle of our products or services from a circular economy perspective. This involves incorporating environmental concerns from the early stages of designing payment services in order to save and recycle natural resources as much as possible;

- **promote the deployment of solutions with low environmental impact**

  We want to develop innovative solutions and features that minimize the environmental footprint of payment transactions. For example, the dematerialization of payment receipts is a real opportunity to enrich the customer experience with a smaller environmental footprint;

- **minimize the carbon footprint of our activities**

  We strive to reduce greenhouse gas emissions caused by the operation of our facilities and our activities by implementing initiatives that have less impact, such as the use of renewable energies in our offices and our data centers for processing payment transactions;

- **facilitate the recycling of electronic waste**

  As a global manufacturer of electronic products, we particularly support our customers regarding more responsible recycling of their end-of-life products. The recycling of electronic waste resulting from the products that we sell is a commitment to the circular economy that helps to reduce pollution and to safeguard natural resources.

2.5.1.2 Compliance with applicable environmental regulations

The regulations in terms of environmental protection are constantly changing, which is why Ingenico Group uses regulatory intelligence to monitor the environmental regulations applicable to the Group's business and to ensure strict compliance with the statutory requirements in force.

For Ingenico Group, the main regulatory texts applicable to the design and marketing of electronic payment terminals are the following:

- the RoHS 2011/65/EU directive and its 2015/863 amendment (Restriction of the use of certain hazardous substances), which aims to reduce the use of certain substances that are hazardous to health and the environment and that can be found in electrical and electronic equipment (lead, mercury, cadmium, hexavalent chromium, brominated flame retardants and phthalates). In 2019, all Ingenico brand terminals complied with these requirements;

- the REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) 1907/2006 regulation, which requires that information be provided throughout the supply chain if any so-called Substances of Very High Concern (SVHC) are used, and that, above a certain tonnage, the ECHA (European Chemicals Agency) be notified accordingly. In 2019, Ingenico Group conducted analyses with an independent laboratory in order to meet its obligations as an importer of articles;
- the WEEE (Waste Electrical and Electronic Equipment) directive, applicable in the European Union, which requires manufacturers of electrical and electronic equipment to organize and finance the collection, treatment and disposal of their end-of-life products. Ingenico Group provides its customers with a specific process for the collection and recycling of their end-of-life terminals and complies with the requirements to inform users, recyclers, and local authorities in accordance with this directive.

In France, Ingenico Group is located on a multi-tenant tertiary site that is classified for environmental protection (*installation classée pour la protection de l'environnement* – ICPE) due to the presence of refrigerants in quantities greater than 300 kg.

2.5.1.3 2019-2023 environmental action plan (extract from the SHARE program)

As a group with a considerable international footprint, our responsibility for the planet is all the more important and this is why the Group wants to take part at its level in the collective dynamic to protect the environment.

Its commitment is reflected in a number of additional environmental initiatives:

- optimizing energy consumption associated with the use of terminals, from their design stage;
- dematerializing payment receipts in order to optimize the carbon footprint of each transaction;
- supporting customers in the recycling of their end-of-life terminals. In 2023, the objective is to extend the coverage of recycling programs to 75% of the countries in which the Group is present;
- using green energies to process payment transactions. By 2023, 100% of European data centers for the Retail business will be supplying electricity from renewable sources;
- purchasing electricity from renewable sources for the energy requirements of the buildings occupied by the Group.

2.5.2 Environmental impacts

The environmental impacts of Ingenico Group are linked:

- first, to facilities the Group uses to carry out its business that have a direct impact in terms of their energy and natural resource consumption, and direct and indirect impacts in terms of greenhouse gas emissions;
- secondly, to marketing activities, distribution and use of the Group's products and related services that have an impact on the environment in terms of natural resource consumption, indirect greenhouse gas emissions, and waste production.

Ingenico Group is working to lessen its environmental impact through the initiatives and measures described below. These are reported annually at the highest level of the Company in the scope of an environmental management review.

2.5.2.1 Impacts related to infrastructure

Energy consumption

A study of data relating to energy consumption was performed at Group level. In 2019, the quantity of electricity consumed was 5,485.5 MWh. The quantity of natural gas consumed amounted to 18,005.1 MWh HHV over the same period.

(in MWh)	2019	2019 (like-for-like)	2018 (like-for-like)	Like-for-like change
Electricity consumption	18,005.1	16,780.9	17,325.7[1]	-
Percentage from renewable sources	8%	6%	5%	-3%
Natural gas consumption	5,485.5	4,885.5	4,786.0	-2%

(1) *Data for 2018 has been revised upwards due to a change in the scope reported by one entity.*

Where possible, Ingenico Group uses high energy efficiency buildings only. This is the case for the Paris building (France), which is HQE (High Quality Environmental standard) certified, and the Valence building (in France), which is BBC certified (low-energy building) by an external certifying body, ensuring that energy performance levels are well above those of standard buildings. In the US (Alpharetta, GA), Ingenico Group also works out of a LEED certified (Leadership in Energy and Environmental Design) and Energy Star certified building, guaranteeing high energy efficiency. In the Netherlands, the building is BREEAM certified and has solar panels on the roof to produce around 20% of the building's consumption.

Several entities of the Ingenico Group have implemented "green energy" contracts with their electricity supplier to ensure that all the energy consumed has been generated from renewable resources, thereby reducing greenhouse gas emissions. In 2019, this was the case in Germany (Ratingen), Sweden (Stockholm), Norway (Oslo) and New Zealand (Auckland). This renewable energy represents 8% of the Group's total consumption in 2019.

Other initiatives aimed at reducing energy consumption have been deployed at many Group sites, such as the use of high-efficiency electrical equipment, LED lighting, and movement detectors.

In the building located in Brussels, Belgium, the office lights switch off automatically from 9 pm and only emergency lighting is used in order to avoid any unnecessary consumption. The same principle is applied in Russia, where the electricity is cut from 10 pm on working days to reduce daily energy consumption.

Water consumption

Given the Group's business activities, the consumption figures recorded are only related to food and sanitary use. However, the quantities of water consumed are monitored locally at the different sites. The Group's total water consumption in 2019 was 100.7 thousand m^3.

(in thousands of m^3)	2019	2019 (like-for-like)	2018 (like-for-like)	Like-for-like change
Water consumption	100.7	93.9	97.1(1)	-3%

(1) Data for 2018 has been revised upwards due to a change in the scope reported by one entity.

Group entities have undertaken various initiatives to reduce water consumption, such as automatic faucets, dual flush toilets and timers for showers.

Paper consumption

Paper consumption related to Ingenico Group's activities represented 74.7 tons in 2019.

(in tons)	2019	2019 (like-for-like)	2018 (like-for-like)	Like-for-like change
Paper consumption	74.7	67.2	76.4(1)	-12%

(1) Data for 2018 has been revised upwards due to a change in the scope reported by one entity.

The Group's efforts to reduce paper consumption are reflected by configuring printers to print on both sides by default, the use of documentation in electronic rather than paper format and the reuse of paper. Electronic invoicing solutions have been deployed in Belgium.

In Belgium, France, Sweden, Brazil and New Zealand, employees need to log in to be able to confirm their printouts, thereby avoiding unnecessary printing.

Employee transportation and business travel

To reduce business travel, Ingenico Group has installed video conferencing systems that enable work meetings to be held on several sites at the same time. Such systems are now installed at all of the Group's facilities.

A "carbon offset" transaction was again made in 2019 at the Mobile World Congress in Barcelona (Spain). In this way, the Group fully offset 26 tons of CO_2 equivalent, corresponding to more than 124,000 km traveled. This initiative, financed by the Group, in partnership with the GoodPlanet Foundation, supported a project to recycle household waste as compost for agriculture in Togo. In total, Ingenico Group has offset approximately 1,120 tons of CO_2 equivalent for this type of event since 2015.

In Germany, Ingenico Group takes account of the level of CO_2 emissions in selecting its rental vehicles (maximum 118 gCO_2/km in 2019). A meaningful plan to reduce these emissions has been in place since 2015 and extends until 2020 (to reach 110 gCO_2/km).

In France, Management and Trade Unions signed an agreement containing eco-responsible and citizenship measures for employees. These measures, which aim to reduce the carbon footprint linked to car use, are as follows:

- 70% subsidy for public transportation passes;
- introduction of a bicycle mileage allowance for employees who cycle between their home and their place of work;
- introduction of a monthly carpooling allowance.

Telecommuting arrangements have also been put in place in France and Belgium, enabling any employees who wish to do so to work from home for one or two days a week.

Preventive measures, recycling and waste disposal

Most of Ingenico Group's entities have set up sorting systems to collect and recycle internal waste such as electrical and electronic equipment, printer toners and cartridges, batteries and accumulators, plastic, glass, aluminum, paper, and cardboard.

In France, at the Paris site where the Group's head office is located, as well as in Valence, a comprehensive office waste sorting and recycling solution was put in place in partnership with a social enterprise that employs workers with disabilities. This end-to-end bespoke service enables traceability of the following forms of waste: paper, plastic cups, plastic bottles and drinks cans. In 2019, this service helped to collect 11.3 tons of waste, including 10.0 tons of paper to preserve 170 trees, 300.6 m^3 of water, 6.7 tons of CO_2e and 44.5 MWh of electricity. This initiative makes it possible to transform sorting, something within the reach of all employees, into an action that supports the environment and shows solidarity.

A weekly waste report has been established at its repair center based in the United Kingdom. The results are displayed for personnel, which helps raise employees' awareness and promote waste sorting and recycling. In order to promote reuse, a battery capacity test unit was installed in 2019. This system has helped to give a second life to more than 100,000 batteries and therefore avoid the production of more than 5 tons of waste.

In Mexico, no single-use cups are used by employees for hot and cold beverages. By using mugs, glasses and flasks, around 30,000 cups and 4,000 bottles are no longer thrown away each year. In the United Kingdom, initiatives have also been put in place to reduce disposable cups.

In France and the Netherlands, disposable cutlery has also been replaced by reusable cutlery for employee catering.

Substance and noise pollution

In order to evaluate the greenhouse gas emissions generated by the Group's business, a Group-wide analysis of these emissions is carried out annually. This analysis is presented in detail in section 2.5.3.1, "Analysis of greenhouse gas emissions".

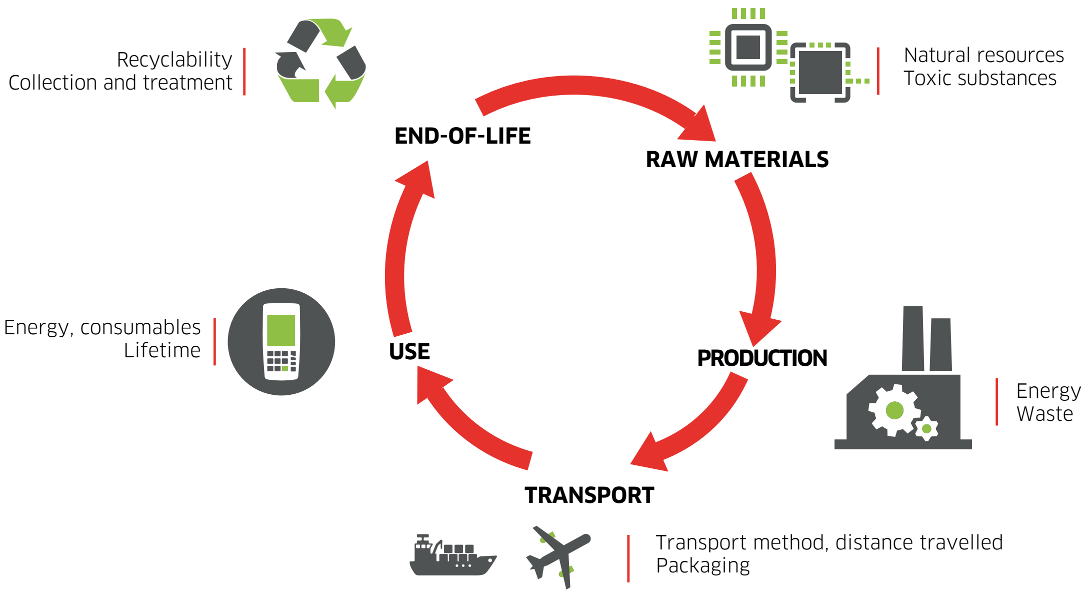
2.5.2.2 Impacts linked to the products and services offered

Eco-design

Eco-design is a preventive approach aimed at incorporating environmental concerns right from the product design stage. It requires that consideration be paid to environmental requirements (regulations, customer expectations, Group policy, etc.) as well as to the products' environmental impacts (energy and raw materials consumption and waste production).

Ingenico Group takes steps to reduce the environmental footprint of its products at each stage of their life cycle, from design to end-of-life. To this end, the Group has developed an eco-design process that aims in particular to reduce the consumption of resources and the production of waste (SDG 12[1]).

The process implemented by Ingenico Group is based on the "life cycle" approach to products, as shown in the following diagram:



To further embed this approach, the Group has developed an eco-design checklist derived from the most stringent international standards for electronic products (EPEAT, TCO, ECMA-341, etc.). With this tool, the environmental performance of the products is evaluated:

- by measuring a number of design indicators (weight, energy consumption, number of components, surface area of printed circuits, etc.);
- by verifying compliance with current regulatory requirements (WEEE, RoHS2, REACH, etc.);
- by identifying best design practices (compatibility and number of materials, marking of plastic parts, disassembly constraints, etc., for recycling purposes).

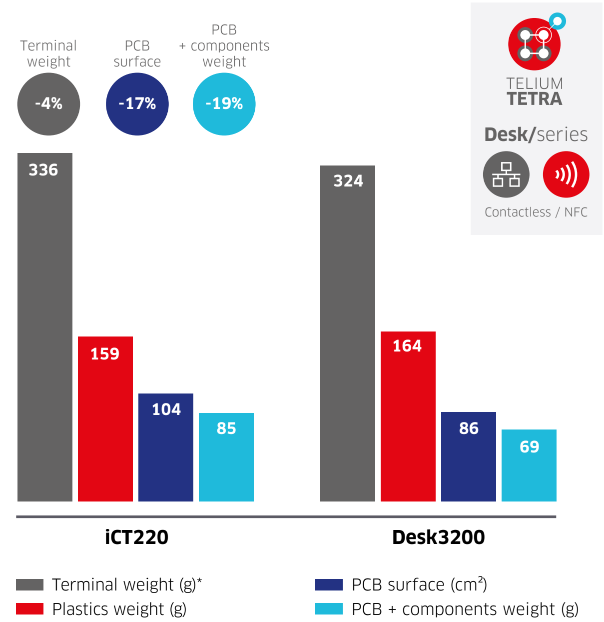
This evaluation of environmental performance provides the basis for an "eco-declaration", an environmental product profile that highlights its ecological aspect while meeting customers' expectations.

(1) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.

Raw materials

The optimization of the design of new generations of terminals allows Ingenico Group to reduce its environmental footprint not only by limiting the use of natural resources but also indirectly by reducing the impacts due to transportation. This eco-design approach is all the more relevant since the use of raw materials required for manufacturing the Group's terminals is in third place in the analysis of GHG emissions (for more detailed information, please refer to section 2.5.3.1, "Analysis of greenhouse gas emissions").

Notable improvements have been made with the latest generation of the Telium Tetra range of terminals as, for example, in the case of the Desk/3200 terminal, where significant progress has been made in terms of the quantities of raw materials used compared with the previous range (iCT220).



* *Cables, charger and thermal paper not included.*

Other initiatives have been implemented on the Tetra ranges marketed in 2020, such as the digitalization of leaflets in order to remove the paper documents until now included in the packaging of each product. They will therefore be made available to users on the Group's website. For the Move/5000 and Desk/5000 ranges, it was also decided to remove the paints and surface treatments applied to the plastic parts of the products, thereby ensuring fewer chemical products are used and improving recycling of plastics from end-of-life products.

Product manufacturing

With regard to the manufacturing of critical components supplied to it, the Group concludes agreements with its suppliers that clearly set out its requirements in terms of environmental protection. On-site audits are also conducted to verify the strict application of these requirements. Regarding the assembly of its terminals, Ingenico Group's partner has signed the Responsible Business Alliance code of conduct (formerly EICC – Electronic Industry Citizenship Coalition), affirming their commitment to incorporate environmental concerns into the operation of their businesses (for more details, please refer to section 2.4.8, "Responsible purchasing").

This partner is also ISO 14001 certified, as are the two subcontracted factories that assemble Landi terminals. This means that, in 2019, all Group terminals were assembled at industrial sites with ISO 14001 environmental certification.

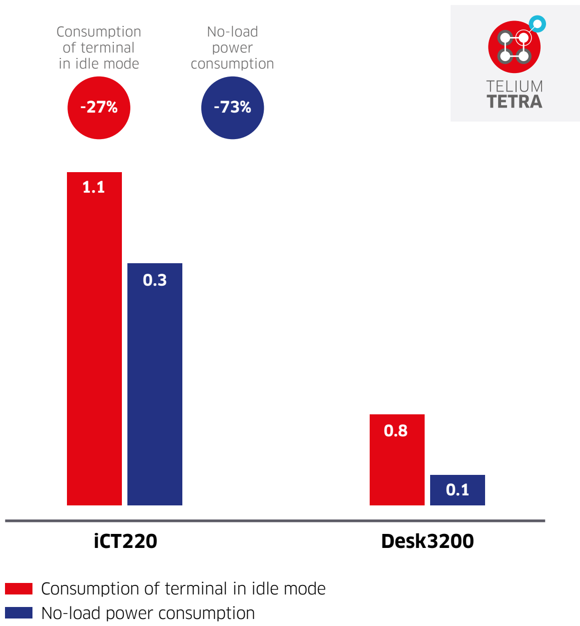
Product transportation

The Group works with two transportation firms that are market leaders in logistics. Both firms are ISO 14001 certified, enabling Ingenico Group to help ensure an environmentally friendly supply chain. They provide the Group with expertise regarding the development of logistics networks, load consolidation and optimization, and the selection of means of transportation, thereby ultimately helping to reduce the Group's carbon footprint.

Use of products and services

A significant part of the environmental impact of electronic products comes from their energy consumption during the use phase. Optimization of the energy efficiency of terminals has a dual benefit: firstly by reducing the Group's eco-footprint in marketing less energy-hungry products and secondly by alleviating that of end users, who benefit both economically and ecologically.

With the range of Telium Tetra terminals and particularly Desk/3200, the terminal's energy consumption in idle mode has consequently been optimized compared to the previous range (iCT220).



Measures realized with terminals charged with OS & Platform (but without payment application)

Another area where Ingenico Group seeks to be a pioneer is in paperless payment receipts. Here again, the benefit is twofold as, through this solution, the Group is helping to minimize the environmental footprint of each transaction by replacing the paper receipt with a digital one, and is also helping to reduce operating costs for the merchant.

The environmental benefits of the dematerialized receipt are significant and positive, namely:

- a simple way to permanently remove controversial chemical substances that may be included in thermal paper;

- a trigger to reducing waste production, given that thermal paper is not recyclable;
- a reduced carbon footprint, insofar as a dematerialized receipt, whether by e-mail or SMS, contributes significantly fewer GHG emissions;
- an excellent way of asserting or anticipating regulations aimed at banning payment receipts;
- a real opportunity for our customers to improve their own corporate social responsibility.

This solution is already deployed at many German and Italian banks, which enable to offer to their client a payment receipt digitalization solution.

These two initiatives are all the more relevant as the printing of receipts and the energy consumption of terminals are the two largest contributors to GHG emissions across the Group's entire value chain (for more details, please refer to section 2.5.3.1, "GHG emissions analysis").

As part of its payment transaction processing activities, Ingenico Group needs electricity, particularly for data centers operated by the Group. Energy consumption is a real issue, which is why it is crucial for Ingenico Group to use green and carbon-neutral energies.

As part of its **SHARE** program put in place in 2019, Ingenico Group has set itself a goal for energy consumption in processing payment transactions.

2023 objective	2018 reference	2019 objective	2019 status
Electricity from renewable sources used by 100% of European data centers (Retail business)	75%	75%	80%

Product end-of-life

As a global manufacturer of electronic products, the collection and recycling of electronic waste is a priority for Ingenico Group. This is why the Group delivers solutions that enable its customers to recycle responsibly the electronic waste resulting from the products it sells.

In accordance with the WEEE (Waste Electrical and Electronic Equipment) directive, recycling solutions for end-of-life Ingenico terminals are in place in EU member states, as well as in Australia, Brazil, Canada, China, Colombia, India, Malaysia, Mexico, the Philippines, Singapore, Thailand, Turkey, Ukraine and the United States.

This commitment to the circular economy helps:

- firstly, to protect the environment, since electronic waste may contain toxic and hazardous materials likely to pollute the soil and water for decades. The recycling of obsolete electronic products thus helps to reduce pollution and the risks to health and the environment;
- secondly, to conserve natural resources, since electronic waste contains many precious and recoverable materials, such as copper, gold, silver, plastics and ferrous metals. Recycling therefore helps to save resources by extracting fewer raw materials as well as helping to save energy and reduce greenhouse gas emissions.

In France, a partnership has been put in place with a local recycler, itself ISO 14001 certified. Furthermore, this partner is also an adapted social and environmental business that employs around 30 staff with disabilities.

The quantities of terminals collected and treated are monitored at Group level, and reached a total of 377.9 tons in 2019.

(in tons)	2019	2019 (like-for-like)	2018 (like-for-like)	Like-for-like change
End-of-life products (WEEE) collected and treated	377.9	377.9	355.3	+7%

As part of its **SHARE** program put in place in 2019, Ingenico Group has set itself a goal for recycling end-of-life terminals.

2023 objective	2018 reference	2019 objective	2019 status
End-of-life terminal recycling solutions available in 75% of countries where the Group is present	50%	62%	81%

2.5.3 Group greenhouse gas emissions

2.5.3.1 Analysis of greenhouse gas emissions

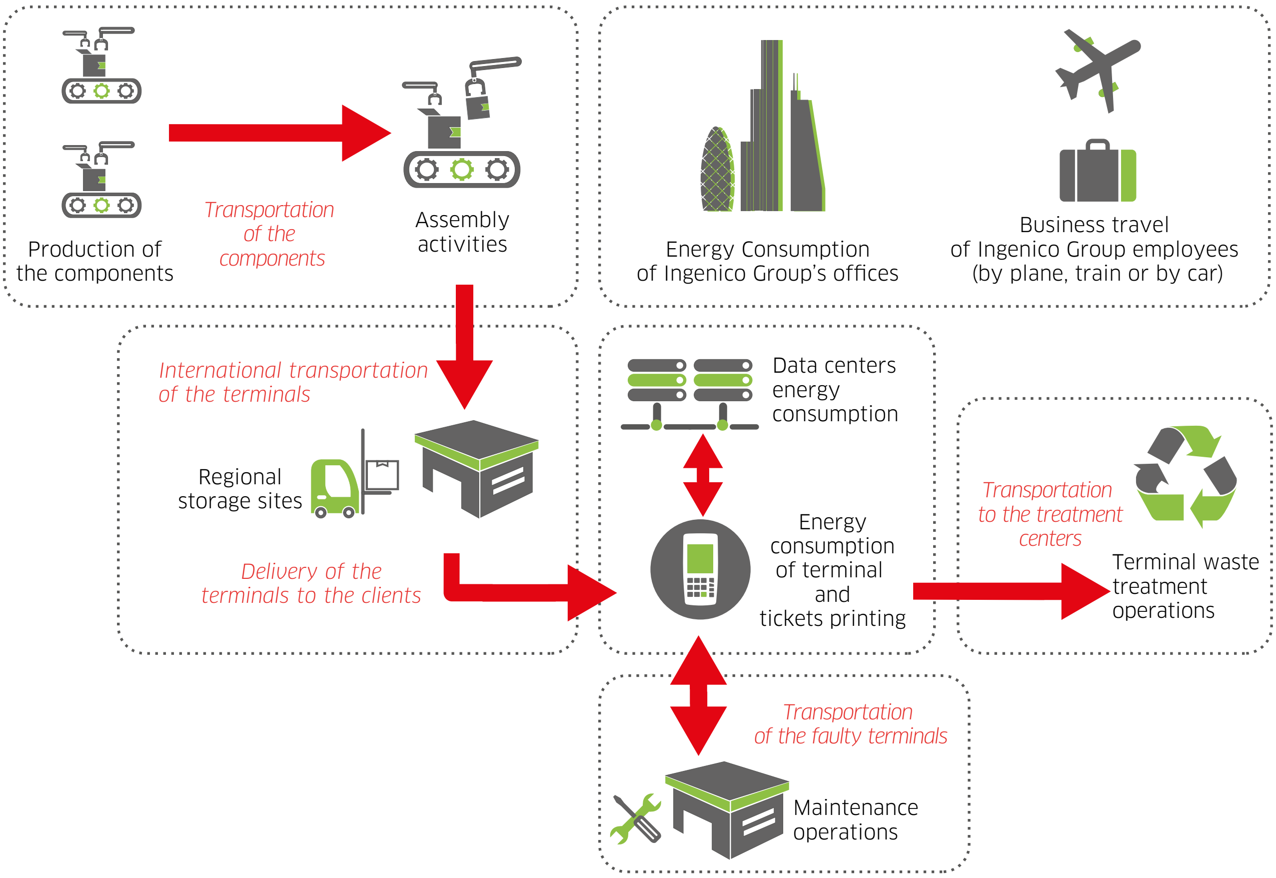
In 2019, Ingenico Group updated its analysis of greenhouse gas (GHG) emissions. This approach covers greenhouse gas emissions across the entire Ingenico Group value chain, including Scopes 1, 2 and 3.

Scope 1 concerns direct greenhouse gas emissions generated by the Group's business, while Scope 2 concerns emissions associated with the consumption of electricity. Scope 3 relates to indirect emissions linked to activities upstream and downstream of the organization. Unlike Scopes 1 and 2, which take into account energy issues only, Scope 3 concerns all business flows.

As shown in the following illustration, the evaluation of greenhouse gas emissions is based on a six-step study of Ingenico Group's value chain:

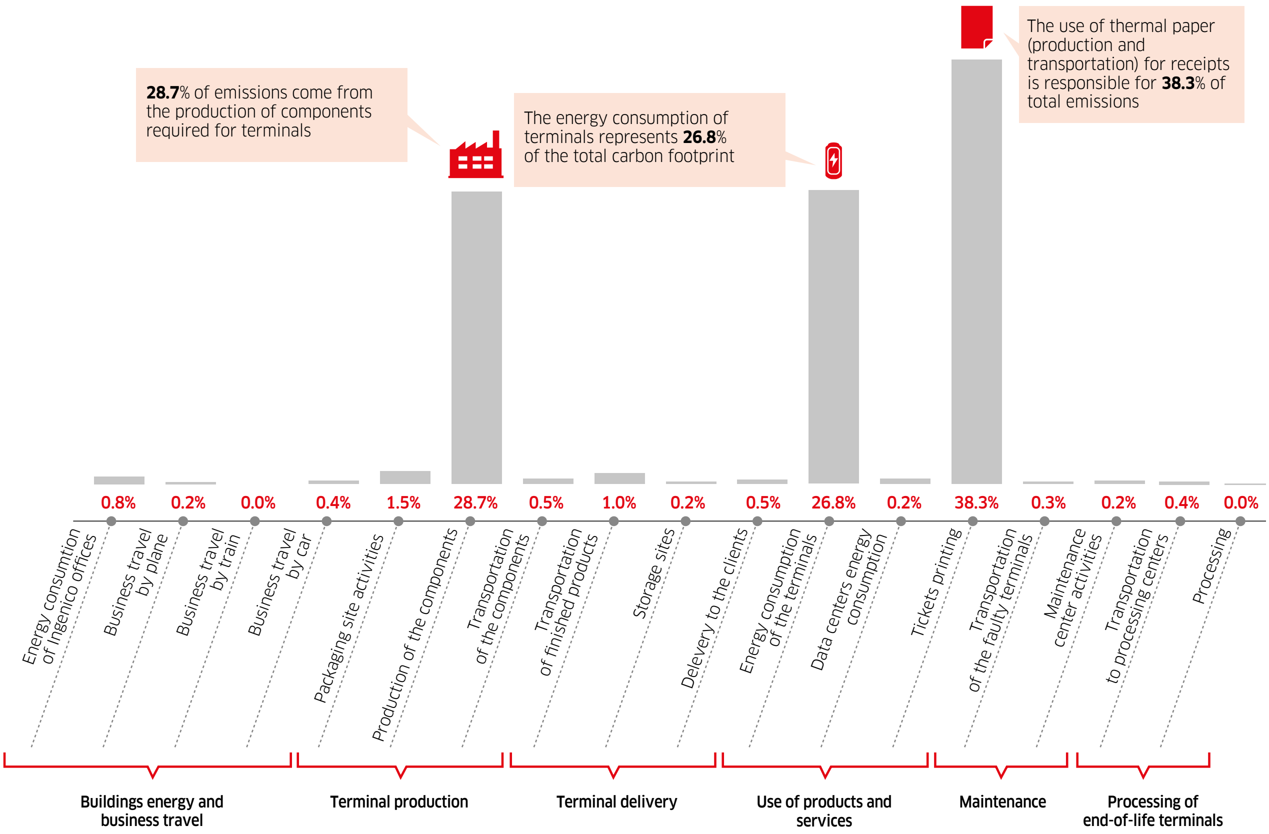
- energy consumption of buildings and employee business travel;
- production of terminals, including the production and transportation of raw materials;
- transportation of terminals from assembly plants to customers;
- use of terminals and services provided by the Group;
- maintenance of terminals;
- processing of end-of-life terminals.

Diagram of the elements included in the GHG emissions analysis



This analysis identified the elements with the highest GHG emissions so that preventive action could be taken in the areas of greatest impact for the elements which the Group has the means to control and influence. The results presented in the analysis below help Ingenico Group to refine and augment its action plans for reducing GHG emissions within its approach toward progress and the continuous improvement of environmental performance.

Principal sources of CO_2 emissions in Ingenico Group's value chain in 2019



Details of emissions in CO_2 equivalent per scope and per year

(in tons of CO_2 equivalent)	2019	2019 (like-for-like)	2018 (like-for-like)*	Like-for-like change
Scope 1 (direct emissions from the combustion of fossil fuels)	9,789	9,267	7,502	+24%
Scope 2 (indirect emissions from electricity)	11,683	11,151	11,291	- 1%
Scope 3 (other indirect emissions)	1,682,326	1,681,914	1,665,974	+ 1%
TOTAL	**1,703,798**	**1,702,332**	**1,684,767**	**+1%**

* *The 2018 data have been revised slightly upwards due to a data correction and updated emission factors.*

Details of emissions in CO_2 equivalent per item and per year

(in tons of CO_2 equivalent)	2019	2019 (like-for-like)	2018 (like-for-like)*	Like-for-like change
Buildings energy and business travel	25,549	24,170	21,780	+11%
Terminal production	409,085	409,086	486,966	-16%
Terminal delivery	30,222	30,222	26,628	+13%
Use of products and services	1,220,948	1,220,860	1,134,477	+8%
Maintenance	9,766	9,766	8,652	+13%
Processing of end-of-life terminals	8,228	8,228	6,264	+31%
TOTAL	**1,703,798**	**1,702,332**	**1,684,767**	**+1%**

* *The 2018 data have been revised slightly upwards due to a data correction and updated emission factors.*

GHG emissions related to buildings energy consumption and business travel were increased (+11%) mainly due to the increase in business travel recorded in 2019 in correlation with the growth in the Group's activity.

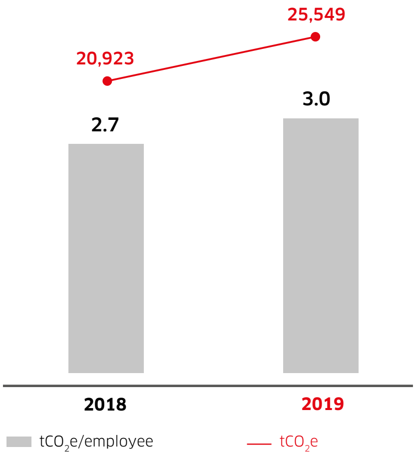
GHG emissions related to terminal production decreased (-16%) due to design improvements in new generation terminals that limit the use of natural resources. This demonstrates the effectiveness of the measures detailed in the section on the eco-design approach in paragraph 2.5.2.2 entitled «Impacts related to the supply of products and services».

GHG emissions induced by terminal deliveries recorded an increase (+13%) which is explained by an increase in terminal volumes produced in 2019 but also by the increased use of air freight to optimize inventories.

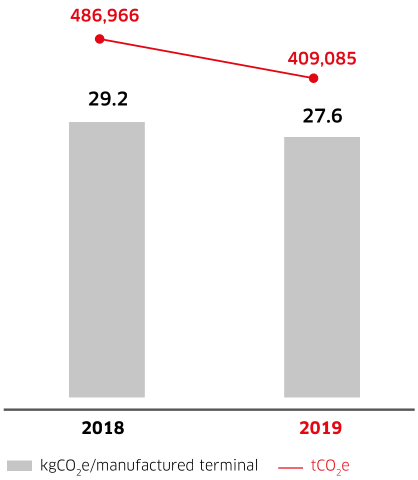
GHG emissions related to the use of the Group's products and services increased slightly (+8%). However, this increase is less significant than the growth in the installed terminal base (13%).

The graphs below, which display the data in absolute values but more importantly in relative values, highlight the Group's ability to minimize its GHG emissions in spite of the growth of its business. In fact, expressed in relative values, the emissions detailed in the preceding table follow an overall downward trend.

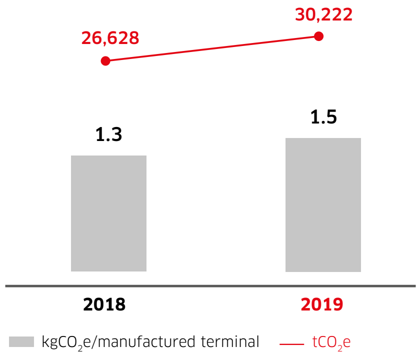
- **Buildings energy and business travel**



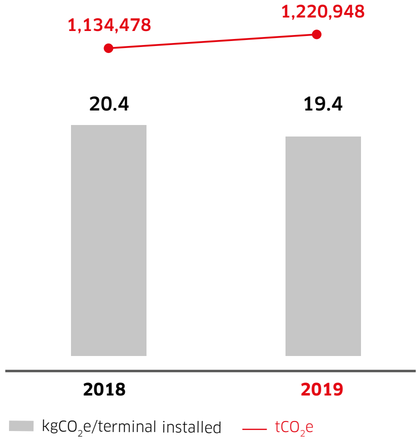
- **Terminal production**



- **Terminal delivery**

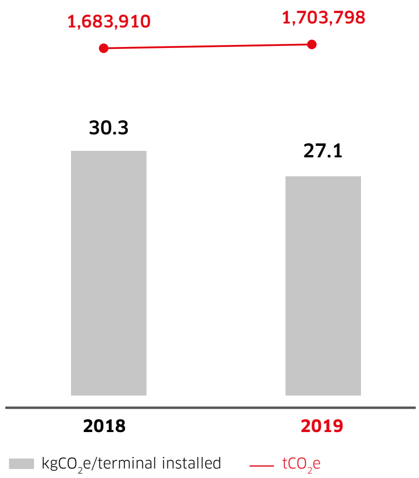


- **Use of products and services**



In 2019, the growth of the Group's business incurred a rise in GHG emissions in absolute value (on a like-for-like basis). However, this increase (11%) is less significant than the increase in the installed terminal base (13%) as shown by the GHG emissions trend in relative values (in $kgCO_2e$ per installed terminal).

- **Total GHG emissions and measurement of intensity per terminal installed***



* *The number of terminals installed corresponds to the number of terminals sold over the last five years.*

2.5.3.2 Greenhouse gas reduction targets for 2023

Aware of climate change and the associated consequences that the world is currently experiencing, Ingenico Group wants to take part in the collective dynamic aimed at keeping global warming below 2°C. For this reason, the Group decided in 2019 to set targets for reducing greenhouse gas emissions by 2023, thus contributing to SDG 13[1] (Take urgent actions to combat climate change and its impacts).

Absolute emissions target

Scope	% emissions in scope	% reduction from base year	Base year	Start year	Base year emissions *(tCO_2e)*	Target year	% achieved (emissions)
Scope 2: Energy consumption of buildings	100%	10%	2018	2019	11,291	2023	12%

Emissions intensity target

Scope	% emissions in scope	% reduction from base year	Metric	Base year	Start year	Normalized base year emissions *(tCO_2e)*	Target year	% achieved (emissions)
Scope 3: Use of products sold (energy efficiency)	28%	10%	tCO_2e/ installed terminal	2018	2019	0.00827	2023	38%

2.5.4 Other environmental commitments

United Nations Global Compact

By supporting the world's leading corporate social responsibility initiative, Ingenico Group commits to disclose the ways in which the Group is aligning its strategy and operations with the UN's universal principles relating to the environment:

- applying the precautionary approach to counter the problems affecting the environment;
- taking initiatives that tend to promote greater responsibility in terms of the environment;
- promoting the development and dissemination of technologies that respect the environment.

Ingenico Group's 2019 report (Communication on Progress) is available on the website of the United Nations Global Compact.

We Mean Business

In 2015, Ingenico Group also committed to one of the initiatives proposed by the "We Mean Business" coalition to combat climate change. This voluntary commitment by Ingenico Group consists in providing public access to information on the impacts of the Group's business on climate change. This commitment is reflected by the information contained in section 2.5.3, "Group greenhouse gas emissions".

CDP

In 2019, Ingenico Group once again took part in the CDP, an internationally recognized evaluation set up by an independent NGO that works with global investors to advance investment opportunities and mitigate the risks posed by climate change. This evaluation specifically enables institutional investors to assess the performance of more than 5,000 listed companies around the world in relation to their climate change policy, GHG emissions and energy consumption.

The Group confirmed its commitment to the fight against climate change, with a score of "B" (for "Management"). The average score is C (for "Awareness"), whether for European companies or for companies in the electrical and electronic equipment sector. In 2019, Ingenico Group maintained its support for this initiative by becoming an official "CDP Supporter".

(1) For more information on the United Nations Sustainable Development Goals, see http://www.un.org/sustainabledevelopment/sustainable-development-goals/.

Circular economy trajectories of the AFEP

Using the drivers of the circular economy defined by ADEME (the French Environment and Energy Management Agency), Ingenico Group was committed in 2017 through two actions: recycling and eco-design of products marketed by the Group. These two initiatives are part of the brochure published by the AFEP, which details the 120 commitments promoting the circular economy on the part of 36 French companies. In 2019, the Group communicated progress on its circular economy commitments to the AFEP.

Partnership with SPIE

Today, eco-responsible and sustainable mobility solutions are on the increase. With electric vehicles accounting for 10% of new car sales each year, it is therefore essential to provide the infrastructure to ensure that these vehicles can continue to run. In the scope of its partnership with SPIE Group, Ingenico Group has deployed an identification and payment solution across 1,200 electric vehicle charging stations throughout France. Ingenico Group is contributing to the success of SPIE Group through the self-service terminals range, helping to make the recharging of vehicle batteries as easy and accessible as going shopping.

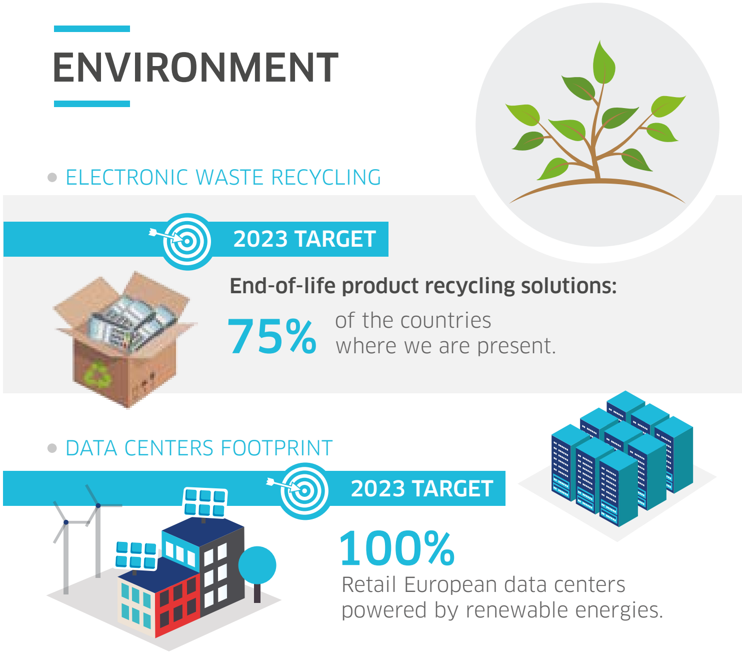
Connected business night

Ingenico Group participated in the retail event of the year by offering an innovative solution aimed at digitizing loyalty cards as simply as possible. Thanks to the Ingenico payment terminal, consumers now have an easy-to-use, secure means of creating and using their digital loyalty cards. What is more, there are also savings in the form of paper registration forms and plastic cards, representing an environmental benefit (savings in raw materials and waste reduction).

French Business Climate Pledge

On August 29, 2019, at the meeting of French entrepreneurs (*Rencontre des Entrepreneurs de France* – REF) organized by the MEDEF, Ingenico Group undertook a climate commitment by signing the French Business Climate Pledge alongside 98 other French companies to reaffirm the need to change direction collectively by accelerating innovation and R&D through their investments in low-carbon solutions, in order to bring about a drastic drop in the planet's greenhouse gas (GHG) emissions.

2.5.5 Employee awareness



The environmental actions of the **SHARE** program have been communicated in particular to all the Group's employees. The objectives set for 2023 were presented in person by Nicolas Huss, Chief Executive Officer, by means of a video available on Skyway.

The Group intends to improve environmental awareness among its employees. To this end, Ingenico Group encourages its employees to adopt and develop an eco-responsible approach in all their daily activities to reduce paper and water consumption, travel and energy consumption and to promote waste sorting.

In the United Kingdom and the Netherlands, working groups have been set up to educate employees on environmental issues in order to work in a sustainable environment.

Environmental protection begins with the implementation of environmentally friendly attitudes in the Company. That is why, in the United States, filter water bottles were distributed on Earth Day, accompanied by a message advocating the benefits of a reusable bottle.

Thanks to Ingenico's contribution in India, the Grow-Trees NGO planted thousands of trees in the country, thus creating local jobs for women and preserving many local tree species.

In France, on the Valence site, Ingenico Group took part in the "sustainable mobility" day to promote alternative solutions to the private car, particularly for commuting.

2.6 REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL PERFORMANCE STATEMENT IN THE MANAGEMENT REPORT

This is a free English translation of the statutory auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2019

To the shareholders,

In our capacity as independent third party of your Company (hereinafter the "entity"), and accredited by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049[(1)] and, as a member firm of the KPMG International network, one of your statutory auditors, we hereby report to you on the consolidated non-financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), included in the Group Management Report pursuant to the requirements of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

Responsibility of the entity

The Board of Directors' is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and available upon request at the entity's head office.

Independence and quality control

Our independence is defined by the requirements of Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with Article R. 225-105-I-3° and II of the French Commercial Code, *i.e.*, the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of our work

The work described below was performed in accordance with the provisions of Article A. 225-1 *et seq.* of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) applicable to such engagements and with ISAE 3000 (International standard on assurance engagements other than audits or reviews of historical financial information):

- We obtained an understanding of all the consolidated entities' activities, and the description of the principal risks associated;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- We verified that the Statement includes each category of social and environmental information set out in Article L. 225-102-1-III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation];
- We verified that the Statement provides the information required under Article R. 225-105-II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1-III, paragraph 2 of the French Commercial Code;
- We verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented,

(1) Accreditation scope available at www.cofrac.fr.

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented[(1)]; concerning certain risks[(2)] our work was carried out at the consolidating entity. For the other risks, our work was carried out on the consolidating entity and on a selection of entities[(3)].
- We verified that the Statement covers the scope of consolidation, *i.e.* all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important[(4)], we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities4 and covers between 16% and 100% of the consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work mobilized the skills of five people and took place between November 2019 and February 2020 over a total intervention time of three weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted approximately ten interviews with the individuals responsible for preparing the Statement.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with Article A. 225-3 of the French Commercial Code, we have the following comments:

- as explained in the reporting scope and method section, the reporting boundaries do not include Ingenico Group's activities in China for the following performance indicators: "Share of component suppliers with high and severe risks assessed on their CSR performance" and "Share of strategic component suppliers assessed on their CSR performance";
- certain indicators have no historical comparability, as these have been newly implemented in 2019.

Paris-La Défense, on February 25, 2020

KPMG S.A.

Anne Garans	Frédéric Quélin
Partner	
Sustainability Services	Partner

(1) Sustainable purchasing policies; Products compliance with applicable regulations; Actions implemented for employee development and talent retention; Measures taken in favour of employee well-being and engagement; Diversity and equality policy; Processes implemented to measure and reduce the environmental footprint; Processes implemented for personal data protection; Policies and processes implemented to promote ethical conduct and fight corruption; Measurement of customer satisfaction.

(2) Risks related to information technology protection; Risks related to IT security; Customer satisfaction; Risks related to data protection; Risks of unethical behavior; Risks related to the social and environmental practices of suppliers and subcontractors.

(3) Ingenico UK, Ingenico France.

(4) Share of strategic component suppliers who signed the CSR Agreement or provided proof of their RBA membership; Share of component suppliers with high and severe risks assessed on their CSR performance; Share of strategic component suppliers assessed on their CSR performance; Share of employees briefed with Group-level leadership model deployed; Training hours per employee, on average; Share of employees having access to "LinkedIn learning" tool; Participation rate in the People IN! Survey; Net Promoter Score for employees (eNPS); Total headcount and breakdown by gender, work contract and age; Share of women in managerial positions; Number of voluntary departures / number of total departures; Absenteeism rate; Quantity of end-of-life terminals collected and treated; Share of countries where the Group is present and have a recycling program for end-of-life terminals; Greenhouse gas emissions per installed terminal; Share of new employees who signed the code of ethics.

3

CORPORATE GOVERNANCE

3.1 CORPORATE GOVERNANCE

3.1.1 Governance structure

3.1.1.1 Corporate Governance Code

In order to provide some structure for its corporate governance, the Company has put in place a set of measures that comply with the AFEP-MEDEF Code, which inspired the drafting and updating of the Company's Articles of Association and the Rules of Procedure of the Board of Directors. In the same manner, the Company has opted to refer to the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"). The Code is available on the websites of both AFEP (www.afep.com) and MEDEF (www.medef.com).

3.1.1.2 Implementation of the "apply or explain" rule

Pursuant to the "apply or explain" rule laid down in Article L. 225-37 of the French Commercial Code and Article 27.1 of the AFEP-MEDEF Code, the Company considers that it is compliant with the AFEP-MEDEF Code in force, apart from the exceptions set out in the summary table below.

AFEP-MEDEF recommendation set aside	Ingenico Group practice and justification
Termination of employment contract on appointment as a corporate officer (§ 21) "[…] When an employee becomes a company officer, it is recommended that his or her employment contract with the Company or with a Group company be terminated, whether through contractual termination or resignation […]"	Given the exceptional circumstances under which he was appointed as Chief Executive Officer, Nicolas Huss's employment contract has been suspended since November 5, 2018, the date of his appointment as Chief Executive Officer. This situation will be reviewed at the close of the Annual General Shareholders' Meeting to be held in 2020, depending on the resolutions that may be adopted regarding the compensation paid to directors and executive officers, Nicolas Huss undertook, at the time of his appointment on November 5, 2018, to resign from his employment contract provided that this meeting approves the resolution relating to his remuneration.
Committee responsible for compensation (§ 17.1) "[…] It is recommended […] that one of its members should be an employee director […]"	The director representing employees appointed on September 27, 2018 is not a member of the Compensation, Appointments and Governance Committee, but attends meetings of the Board of Directors at which compensation is reviewed and discussed. Furthermore, the director representing employees is a member of the Strategic Committee.

3.1.1.3 Organization of powers

The Company is a French public company *(société anonyme)* managed by a Board of Directors that has opted for the separation of the offices of Chairman of the Board and Chief Executive Officer as decided by the Board of Directors on November 5, 2018.

Since April 2010, the roles of Chairman and CEO have been combined, with Philippe Lazare performing the role of Chairman and Chief Executive Officer. Following his departure on November 5, 2018, the Board of Directors decided to separate the roles of Chairman of the Board and Chief Executive Officer. Since this date, Bernard Bourigeaud has been Chairman of the Board with Nicolas Huss as Chief Executive Officer.

The Board of Directors considered that this separate governance structure was the best option for the Company.

The governance structure implemented within the Group is in strict compliance with the authority delegated to each of the Company's various bodies, as provided by French law. It includes:

- a Board of Directors where the majority of members are independent directors (55% as of the date of this document);
- attendance on special focus committees of the Board of Directors that are made up in majority of independent members;
- a high level of involvement of directors in special focus committees, the Strategic Committee in particular;
- a systematic annual assessment of the working conditions of the Board of Directors (see Chapter 3.1.4.4 of this document).

The Chief Executive Officer is not a member of any of the Board of Directors' special focus committees but takes part in them as necessary.

Powers of the Chairman of the Board of Directors

The Chairman of the Board organizes and directs the work of the Board and reports on this to the Annual General Shareholders' Meeting. He ensures that the Company's various bodies are performing effectively and, in particular, that the directors are able to perform their duties.

He may:

- take part in certain internal meetings with executives and in the meetings of some committees;
- consult, be consulted and discuss with the Chief Executive Officer certain events of significance and strategic importance for the Company;
- ensure that the Company's various bodies are performing effectively and that the directors are able to perform their duties.

Powers of the Chief Executive Officer

The Chief Executive Officer is vested with the broadest powers to act on the Company's behalf in all circumstances. He exercises these powers within the scope of the Company's corporate purpose and subject to the powers expressly granted by law to Shareholders' Meetings and to the Board of Directors.

He represents the Company in its relations with third parties. The Company is bound even by actions of the Chief Executive Officer that fall outside the scope of the corporate purpose, unless it can be proven that the third party knew the act exceeded that purpose or could not have been unaware of it under the circumstances, the mere publication of the Articles of Association being insufficient proof.

Limits on the powers of the Chief Executive Officer

The limits placed by the Board of Directors on the powers of the Chief Executive Officer are described in Article 2 of the Board's Rules of Procedure and are reviewed below.

In accordance with the law, security, surety and guarantee commitments in the name of the Company may only be approved by the Chief Executive Officer after receiving the prior authorization of the Board of Directors, and the Board may set an overall annual amount, or an amount per commitment, below which its authorization is not required. The consent of the Board of Directors is required before the Chief Executive Officer may appoint any person to act as a permanent representative of the Company or companies it controls directly or indirectly, as defined in Article L. 233-3 of the French Commercial Code, on the Board of Directors or the Supervisory Board of any company not directly or indirectly controlled by the Company. The Board of Directors will consider any proposals and opinions provided by the Compensation, Appointments and Governance Committee.

Prior authorization from the Board of Directors is also required for any related-party agreement in accordance with Articles L. 225-38 *et seq.* of the French Commercial Code.

The prior consent of the Board is also required for the following:

(i) setting the consolidated budget for the year;

(ii) setting the consolidated business plan;

(iii) any investment, divestiture, acquisition of equity interests or assets, contribution or disposal of assets, merger, demerger or partial contribution of assets in an amount exceeding €25 million;

(iv) any application for a loan, or any issuance of bond debt or other long-term liabilities exceeding €25 million and any application for a loan or issuance of bond debt or other long-term liabilities exceeding an annual aggregate limit of €100 million;

(v) any commercial transaction under normal conditions for conducting company business involving an amount in excess of €300 million; above this threshold, the Board of Directors shall quickly appoint an *ad hoc* committee composed of three of its members to decide whether or not to approve the transaction;

(vi) any transaction, agreement or compromise in the context of the resolution of a dispute involving an amount in excess of €25 million;

(vii) any capital increase or series of capital increases liable to modify the total share capital and/or voting rights in Ingenico Group, unless express delegation is granted to the Chief Executive Officer; and

(viii) any material transaction outside of Ingenico's normal business or materially impacting the Group's strategy as defined by the Board of Directors, or any strategic alliance or partnership that may have a major impact on the Group.

Neither the provisions of these Articles of Association nor any Board resolutions limiting the Chief Executive Officer's powers are enforceable against third parties.

Powers of the Deputy Chief Executive Officers

The Board of Directors determines the scope and duration of the powers vested in Deputy Chief Executive Officers in agreement with the Chief Executive Officer. The Deputy Chief Executive Officers have the same powers as the Chief Executive Officer with respect to third parties.

As of the date that this document was prepared, the Board of Directors had not appointed a Deputy Chief Executive Officer.

3.1.2 Composition of the Board of Directors – directors and executive officers

3.1.2.1 Rules for the composition of the Board of Directors

The composition of the Company's Board of Directors and executive management bodies is determined by the applicable laws and regulations, by the Articles of Association of the Company, and by the Rules of Procedure of the Board of Directors, the main clauses of which are summarized or reproduced below.

Appointment of directors: in accordance with the Articles of Association, the Company is administered by a Board composed of at least three (3) and at most thirteen (13) members. Directors representing employees are not taken into account in determining the minimum and maximum number of directors under Article L. 225-27-1 of the French Commercial Code.

The directors are appointed by the Annual General Shareholders' Meeting and can be removed by it. The term of office for directors is three (3) years. By way of exception and to allow the renewal of directors' terms of office to be staggered, the Ordinary Annual General Shareholders' Meeting may appoint or renew terms of office for one year or two years. Plurality of offices as a director and other corporate offices in several *sociétés anonymes* (public companies) is allowed only within the limits permitted by law.

A Company employee may only be appointed to the Board of Directors if their employment contract predates this appointment and corresponds to an actual job position. The director representing employees does not lose the benefit of his or her employment contract. The number of directors bound to the Company by employment contracts may not exceed one third of all directors in office. Any appointment made in violation of the above provisions will be declared null and void. However, this does not render null and void the proceedings in which the improperly appointed director has taken part. The Annual General Shareholders' Meeting of May 16, 2018 amended the Articles of Association to include the terms for appointing the director representing employees pursuant to Article L. 225-27-1 of the French Commercial Code.

The Annual General Shareholders' Meeting of June 11, 2020 will be called upon to modify the Articles of Association to lower the threshold triggering the obligation to have two directors representing employees from twelve to eight members of the Board of Directors.

In the event of the death or resignation of a director, the Board of Directors may make a provisional appointment between two Shareholders' Meetings. Any such provisional appointment must be ratified by the next Annual General Shareholders' Meeting. Even if the meeting does not ratify the appointment, the prior proceedings and acts of the Board of Directors shall be considered valid.

When the number of directors in office drops below three, the remaining directors must immediately convene a Shareholders' Meeting in order to restore Board membership to the required minimum.

Age limit: in accordance with the Articles of Association, the number of directors (individuals or representatives of legal entities) over 75 years of age may not exceed one third, rounded up to the next whole number, of the directors in office on the date of the Annual General Shareholders' Meeting convened to approve the Annual Financial Statements. When this recommended number has been exceeded, the oldest director, except for the Chairman, will be deemed to have resigned.

Directorships held by legal entities: in accordance with the Articles of Association, as soon as a company is appointed to the Board of Directors, it must designate a physical person as its permanent representative who will be subject to the same conditions and obligations and have the same duties as any individually appointed director, without prejudice to the joint and several liability of the legal entity represented. When a legal entity dismisses its permanent representative, it must immediately appoint a replacement. The same applies in the event of death or resignation of the permanent representative.

Share ownership by Directors: in accordance with the Rules of Procedure, each director, with the exception of directors representing employees, undertakes to hold at least one thousand (1,000) shares at all times. Failing this, they shall be deemed to have resigned from office, unless they have resolved this situation within 12 months. In the event that a director is included in a confidentiality and abstention list or a list of occasional insiders during this period of 12 months, they will automatically be suspended until that list is closed.

The shares must be registered shares that are fully paid up.

These provisions do not apply to employee shareholders appointed as Directors pursuant to Article L. 225-23 of the French Commercial Code, and will not apply to the employee representatives appointed pursuant to Article L. 225-27-1 of the French Commercial Code.

Chairman of the Board of Directors: the Board of Directors shall elect one of its members as Chairman for the term of office that it sets but that may not exceed their term of office as director. This position must be occupied by an individual, or the appointment will be declared null and void. The Chairman may be re-elected for an indefinite number of terms.

The Board may also appoint a secretary, who need not be Board member.

The Chairman's term of office automatically expires at the end of the first Ordinary Annual General Shareholders' Meeting held during the year of their eightieth birthday.

Vice-Chairman: The Board of Directors may elect from among its members a Vice-Chairman who must be a natural person, failing which the appointment will be null and void.

The Vice-Chairman of the Board of Directors replaces the Chairman of the Board of Directors in the event of temporary unavailability or death. In the event of temporary unavailability, the replacement will be valid for the duration of unavailability; in the event of death, it will be valid until the election of a new Chairman of the Board of Directors.

Independent advisors: the Board may appoint one or more independent advisors for a term of four (4) years on the proposal of its Chairman. Their role is to advise the Board of Directors on Company policy and direction, based on their experience or particular skills. The independent advisor(s) may only take part in the proceedings of the Board of Directors in an advisory capacity. The Board of Directors therefore closely scrutinizes all appointment recommendations to ensure that the candidate possesses the skills and the expertise required to assist it.

3.1.2.2 Policy on diversity of backgrounds and experience

The Board of Directors aims to ensure that directors hail from a variety of backgrounds and have complementary skills and internationalization, and to maintain a level of independence on the Board that is appropriate for the governance structure of the Company and its shareholders and to achieve a balanced representation of its members.

This is reflected in the diversity of Board members, who complement one another in their range of skills, experience and training. On June 11, 2019, the Board of Directors welcomed three new directors, who enriched the Board's range of experience and strengthened its international dimension.

Special attention is paid to equality within the Board of Directors. The Board ensures it is compliant with the principle of equal representation of women and men. As of the date of this document, five of the 11 members of the Board of Directors are women, *i.e.,* 45% (the director representing employees is not taken into account in assessing the composition of the Board, pursuant to Article L. 225-27-1 of the French Commercial Code).

The Board of Directors includes members of different ages, with an average age of 56. Members often have international experience, giving the Board greater relevance thanks to their complementary strengths.

The Board of Directors is also committed to the independence of its members and its committees. The level of independence of the Board of Directors and its committees is thus greater than the majority recommended by the AFEP-MEDEF Code (8 independent members for 11 members on December 31, 2019, *i.e.* 73%, the director representing employees is not taken into account for this calculation, pursuant to the AFEP-MEDEF Code).

Ingenico Group's human resources and corporate social responsibility policies make diversity and gender equality at work an area for development at all levels of the organization. As of the date of this document, the Executive Committee comprises four women and six men. Representation in the most senior 10% of roles within the Company is 69% men and 31% women.

3.1.2.3 Employee representation on the Board of Directors

Directors elected to represent employees

The Company falls within the scope of application of Article L. 225-27-1 of the French Commercial Code providing for employee representation on the Board of Directors of public companies that employ a certain number of permanent employees. Accordingly, the Annual General Shareholders' Meeting of May 16, 2018 amended the Company's Articles of Association to determine the appointment conditions in accordance with Article L. 225-27-1 of the French Commercial Code and a director representing employees was appointed on September 27, 2018.

Pursuant to French Law No. 2019-486 of May 22, 2019, which provides that companies with more than eight directors must have at least two directors representing employees, a proposal will be put forward to the Annual General Shareholders' Meeting that the Articles of Articles of Association should be amended accordingly. A second director representing employees must be appointed within six months of the Annual General Shareholders' Meeting of June 11, 2020.

Directors elected to represent employee shareholders

The Company does not fall within the scope of application of Article L. 225-23 of the French Commercial Code which provides that, in companies listed on a regulated market where the employee shareholding (as defined in Article L. 225-102 of the French Commercial Code) exceeds three percent of the Company's share capital, the shareholders must appoint one or more directors representing the employee shareholders to the Board of Directors.

The Board of Directors therefore has no directors representing employee shareholders of the Company.

3.1.2.4 Composition of the Board of Directors

As of December 31, 2019, the Board of Directors was composed of twelve (12) directors, including eleven directors appointed by the Annual General Shareholders' Meeting and a director representing employees, as well as an independent advisor:

Name	Nationality	Age	Independence	Other directorships and offices in listed companies	Year of first appointment	Year of expiry of term of office	Audit and Finance Committee	Compensation, Appointments and Governance Committee	Strategic Committee
Bernard BOURIGEAUD Chairman of the Board of Directors	French	75 years		None	2016	2020		X	Chairman
Nicolas HUSS Chief Executive Officer, director	French	55 years		1	2018(1)	2022			
Agnès AUDIER	French	55 years	X	1	2019	2021	X		X
Diaa ELYAACOUBI	French	49 years	X	None	2011	2022		X	X
Arnaud LUCIEN Director representing employees	French	42 years		None	2018	2021			X
Xavier MORENO	French	71 years	X	None	2008	2021		Chairman	X
Caroline PAROT	French	48 years	X	1	2017	2020	Chairman		X
Nazan SOMER ÖZELGIN	Turkish	56 years	X	2	2019	2020	X		X
Thierry SOMMELET	French	50 years	X	3	2018	2021		X	X
Sophie STABILE	French	49 years	X	3	2019	2022	X		X
Michael STOLLARZ	German	53 years		None	2019	2022		X	X
Élie VANNIER	Swiss	70 years	X	None	2008	2021	X		X

(1) This provisional appointment was ratified by the Annual General Shareholders' Meeting of June 11, 2019.

William Nahum was first appointed as an independent advisor by the Board of Directors on March 15, 2006. He was reappointed for a term of four years by the Board of Directors on February 18, 2016. As of December 31, 2019, he holds 525 shares in the Company and is a member of the Compensation, Appointments and Governance Committee. It should be noted that William Nahum's term of office ended on February 18, 2020.

3.1.2.5 Changes in the composition of the Board of Directors in 2019

The changes in the composition of the Board of Directors and its committees in 2019 were as follows:

	Departures	Appointments	Renewals
Board of Directors	None	Agnès Audier June 11, 2019 Nazan Somer Özelgin June 11, 2019 Michael Stollarz June 11, 2019	Nicolas Huss June 11, 2019 Diaa Elyaacoubi June 11, 2019 Sophie Stabile June 11, 2019
Audit Committee	Agnès Audier and Nazan Somer Özelgin joined the committee on July 23, 2019.		
Compensation, Appointments and Governance Committee	Michael Stollarz joined the committee on July 23, 2019.		
Strategic Committee	Agnès Audier, Nazan Somer Özelgin and Michael Stollarz joined the committee on July 23, 2019.		

The Board of Directors has been strengthened by the appointment of three new directors, whose profiles in terms of experience and nationality complement those of the existing directors, in accordance with the principles enshrined in its diversity policy.

3.1.2.6 Specific information on directors

Address of directors

For the purposes of their corporate functions, the members of the Board of Directors and senior management are domiciled at the Company's head office.

Directorships and offices

The list of each director's directorships and offices, and their duties, is shown below.

Convictions, bankruptcies, official public indictments and/or sanctions

To the best of the Company's knowledge and as of the date of this Registration Document, within the previous five years none of the members of the Board of Directors and none of the management:

- have been convicted for fraud;
- have been associated with bankruptcy, receivership, or liquidation proceedings, or with any companies placed under judicial administration, by having held the position of a member of an administrative, management or supervisory body;
- have been the subject of proceedings and/or an official public sanction by any statutory or regulatory authority;
- have been stripped by a court of the right to serve as a member of an administrative, management or supervisory body or to be involved in the management or conduct of the affairs of any issuer.

Conflict of interest

To the best of the Company's knowledge and on the date this document was prepared, no potential conflict of interest was identified between the duties performed for the Company by any member of the Board of Directors or senior management and their private interests and/or other duties.

To the best of the Company's knowledge and on the date this document was prepared, no arrangement has been made or agreement reached with the main shareholders, customers or suppliers according to which one of the members of the Board of Directors or senior management has been selected in this capacity. It is specified that Michael Stollarz is also Chief Executive Officer of DSV, co-shareholder of the joint venture Payone.

To the best of the Company's knowledge and on the date this document was prepared, members of the Board of Directors and senior management have not agreed to any restrictions on the disposal of their equity interests in the Company's share capital, with the exception of the requirement for directors and executive officers to hold shares, as set out in chapter 3.3.1.1.4 of this document.

Service contracts

During the last fiscal year, no Board member has entered into a service contract with the Company or with Group companies that provides benefits upon termination of such a contract.

Family relationships

As of the date of this Registration Document, there are no family ties between any of the members of the Board of Directors.

3.1.2.7 Independence of directors

Ingenico Group is a widely held corporation without a controlling shareholder as defined in Article L. 233-3 of the French Commercial Code. According to the AFEP-MEDEF Code, in this case, independent directors should account for at least half of the Board members.

The AFEP-MEDEF Code criteria to be fulfilled for the Board of Directors to qualify a director as independent are as follows:

- not to be or have been, within the previous five years, an employee or executive director of the Company or an employee, executive director, or Board member of an entity consolidated by it; or an employee, executive director, or Board member of its parent company or of an entity consolidated by that parent company;
- not to be an executive director of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive director of the Company (either current or within the past five years) holds or has held a directorship;
- not to be a customer, supplier, investment banker, commercial banker or consultant that is material to the Company or Group, or for which the Company or the Group represents a material part of its business;

- not to be related by close family ties to an executive director;
- not to have been an auditor of the Company within the previous five years;
- not to have been a director of the Company for more than 12 years. The status of independent director lapses after 12 years.

A non-executive director may not be considered independent if he or she receives variable compensation in cash or shares or any compensation linked to the performance of the Company or the Group.

Directors representing major shareholders of the Company may be considered independent provided that they do not exercise control over the Company. However, when the shareholding exceeds 10% of the share capital or voting rights, the Board of Directors should systematically review whether the director still qualifies as independent, taking into consideration the Company's ownership structure and any potential conflict of interest.

The Compensation, Appointments and Governance Committee discusses the qualifications for being considered an independent director and writes a report on this question for the Board of Directors. Every year, on the basis of this report, the Board of Directors reviews the extent to which each director fulfills the criteria for independence mentioned above.

To date, no director has had a business relationship with the Company and therefore the Board of Directors has not set criteria to assess the material nature of business relationships.

According to the independence criteria defined by the AFEP-MEDEF Code, as of December 31, 2019, the Board of Directors considers 8 of its members as being independent:

Independence criteria based on the AFEP-MEDEF Code[1]	Bernard Bourigeaud	Nicolas Huss	Agnès Audier	Diaa Elyaacoubi	Arnaud Lucien	Xavier Moreno	Caroline Parot	Nazan Somer Özelgin	Thierry Sommelet	Sophie Stabile	Michael Stollarz	Élie Vannier
1. Employee or executive director of the Company in the previous 5 years												
• an employee or executive director of the Company;	√	✗	√	√	√	√	√	√	√	√	√	√
• employee, executive director or Board member of an entity that the Company consolidates;	√	√	√	√	✗	√	√	√	√	√	✗	✗
• employee, executive director or Board member of the Company's parent or of an entity consolidated by the parent.	√	√	√	√	√	√	√	√	√	√	√	√
2. Cross-directorships and offices												
• Not to be an executive director of a company in which the Company holds, directly or indirectly, a directorship or in which an employee appointed as such or an executive director of the Company (either currently or within the past five years) holds or has held a directorship.	√	√	√	√	√	√	√	√	√	√	√	√
3. Material business relationships												
• Not to be a customer, supplier, investment banker, commercial banker or consultant that is material to the Company or Group, or for which the Company or the Group represents a material part of its business.	√	√	√	√	√	√	√	√	√	√	√	√

Independence criteria based on the AFEP-MEDEF Code[1]	Bernard Bourigeaud	Nicolas Huss	Agnès Audier	Diaa Elyaacoubi	Arnaud Lucien	Xavier Moreno	Caroline Parot	Nazan Somer Özelgin	Thierry Sommelet	Sophie Stabile	Michael Stollarz	Élie Vannier
4. Family ties												
• Not to be related by close family ties to an executive director.	√	√	√	√	√	√	√	√	√	√	√	√
5. Statutory auditors												
• Not to have been an auditor of the Company within the previous five years.	√	√	√	√	√	√	√	√	√	√	√	√
6. Term of office in excess of 12 years												
• Not to have been a director of the Company for more than 12 years.	√	√	√	√	√	√	√	√	√	√	√	√
7. Status of major shareholder												
• Not to be a shareholder taking part in the control of the Company or its parent company (beyond 10% of the capital and voting rights).	√	√	√	√	√	√	√	√	√	√	√	√
8. Status of non-executive directors and officers of the Company												
A non-executive director or officer of the Company may not be considered independent if they receive variable compensation in cash or shares or any compensation linked to the performance of the Company or the Group.	x[4]											
Conclusions[5]	**NI**	**NI**	**I**	**I**	**NI**	**I**	**I**	**I**	**I**	**I**	**NI[2]**	**I[3]**

(1) In this table, √ represents a criterion for independence that has been met and ✗ represents a criterion for independence that has not been met.

(2) Michael Stollarz is Chief Executive Officer of DSV, co-shareholder of the joint venture BS Payone, where he holds the offices of member of the Supervisory Board and member of the shareholders' committee.

(3) Élie Vannier is a member of the Supervisory Board of Global Collect Services BV, a subsidiary of the Company. However, the Board of Directors considers that this position does not call into question his independence as he is expected to abstain from participating in the decisions of the Board of Directors of Ingenico Group SA when they concern a company in which he holds a directorship.

(4) Bernard Bourigeaud's fixed compensation as Chairman of the Board is paid in the form of shares in accordance with the compensation policy adopted by the Annual General Shareholders' Meeting of June 11, 2019.

(5) NI = Not independent; I = Independent.

The Board of Directors therefore has a majority of independent directors.

It is specified that the Board of Directors of February 25, 2020 recorded the loss of independence of Mr. Moreno and Mr. Vannier by March 14, 2020. This, considering that the criterion of a twelve years limit for the term of office as director will have been exceeded, although these two directors have always maintained their independence of judgment and because of their experience and in-depth knowledge of the Company, provide the Board of Directors with a very useful insight into the works of the Board. Pursuant the AFEP-MEDF Code requirements, the Board of Directors on February 25, 2020, decided to redesign the Compensation, Appointments and Governance Committee and the Audit and Finance Committee as follows:

- Compensation, Appointments and Governance Committee:
  - Caroline Parot, Chairman,
  - Bernard Bourigeaud,
  - Diaa Elyaacoubi,
  - Xavier Moreno,
  - Thierry Sommelet;
- Audit and Finance Committee:
  - Agnès Audier, Chairman,
  - Caroline Parot,
  - Sophie Stabile,
  - Nazan Somer Ozelgin,
  - Élie Vannier.

3.1.3 Ethical obligations imposed on directors

The Rules of Procedure of the Board of Directors lay out the main obligations imposed on directors; the rules thereof are presented below.

The members of the Board of Directors are appointed for their expertise, their shareholder representation and the contribution they can make to the work of the Board.

Each member of the Board must be able to perform the duties of his/her directorship in accordance with the rules of independence, ethics and integrity.

In accordance with corporate governance principles, all directors perform their duties in good faith, in the manner they deem appropriate to promote the best interests of the Company and with the care expected of a normally prudent person in carrying out such a mandate.

Board members undertake, in all circumstances, to maintain their freedom of analysis, judgment, decision and action, and to reject any pressure, whether direct or indirect, that may be exerted on them.

Each member of the Board of Directors ensures compliance by the Company with its obligations and commitments, compliance with laws and regulations, especially with regard to transparency and communication to shareholders and in the implementation of good governance principles.

Information on members of the Board of Directors

Before accepting their assignment, each director must be aware of the laws and regulations related to their function, as well as any special requirements of the Company under its Articles of Association and the Rules of Procedure with which they undertake to comply.

Defending the Company's interests

Each director represents all shareholders and must act at all times in the best interests of the Company. Each director undertakes to ensure that Company decisions do not favor one category of shareholders over another.

Conflict of interest (Article 13 of the Rules of Procedure of the Board of Directors)

Each member of the Board of Directors is required to disclose to the Board any real or potential conflict of interest in which they could be directly or indirectly involved. In all such cases, the Compensation, Appointments and Governance Committee shall examine the related risks. Depending on the nature and significance of the conflict identified, the committee may recommend that the Board of Directors bar a particular director from taking part in discussions and decision-making by the Board on the specific issues in question or from attending Board meetings, for as long as the conflict of interest exists. The director concerned will be required to comply with the requests of the Board of Directors in this matter.

The director shall also accept all the consequences of the exercise of his/her directorship. Accordingly, he/she may:

- abstain from discussions and voting on the corresponding matter;
- not attend Board of Directors' meetings during the period in which his/her conflict of interest exists;
- resign his/her directorship.

Failure to respect these rules of abstention or resignation may leave the director liable to legal action.

Lastly, the Chairman of the Board of Directors shall refrain from disclosing to director(s) who he has serious grounds for believing are in a conflict of interest, any information or documents relating to the conflicting matter, and shall notify the Board of Directors thereof.

Accountability of the Board of Directors

Directors must be attentive to how the powers and responsibilities of the Company's various bodies are defined and exercised.

In particular, they must ensure that no single person may have unlimited discretionary power over the Company; they must ensure the proper functioning of the special focus committees set up by the Board; they must ensure that the internal control bodies operate effectively and that the Statutory Auditors perform their duties satisfactorily.

The Board of Directors conducts an annual review of the internal control procedures implemented by the Company.

The Board of Directors also reviews its operations and those of its committees on an annual basis.

The evaluation aims to review the way the Board operates, check that important issues are properly prepared for and discussed and assess each director's effective contribution to the work of the Board.

The Board of Directors periodically, and at least once every three years, conducts a formal evaluation of its own performance. This process is led by the Chairman of the Board, assisted by another Board member who is also a member of the Compensation, Appointments and Governance Committee. These evaluations are primarily concerned with ensuring compliance with the rules of transparency, ethics and the prevention of risks encountered by the Company.

Information on what the work of the Board of Directors involves and how it is prepared and organized is provided in this report.

Attendance of members of the Board of Directors

Each of the directors must devote the time and attention needed to perform their duties. They must ensure they attend Annual General Shareholders' Meetings.

Transactions involving the Company's shares

In accordance with European regulation No. 596/2014 on market abuse, anyone exercising executive functions (the Chief Executive Officer, director or senior official[(1)]) and anyone with close personal ties to them must notify the AMF (the French financial markets authority) and simultaneously, the Company, under the conditions specified in the applicable regulations, of any transaction they have carried out involving the Company's shares (purchases, sales, subscriptions, exchanges of shares, transactions in financial instruments linked to the shares, etc.).

In its management report, the Board of Directors must inform the Annual General Shareholders' Meeting of such transactions carried out during the previous calendar year by the executive officers (Chairman of the Board of Directors, Chief Executive Officer and directors and executive officers), senior officials, as well as by people closely connected to them.

As provided in the Company's Code of Stock Market Compliance, any Company shares owned by a Board member must be held in a registered account.

Confidentiality – Inside information

The directors and any person attending meetings of the Board of Directors are bound by a duty of confidentiality regarding the proceedings of the Board and its committees.

Information provided to a member of the Board of Directors in his or her official capacity is said to be given on a personal basis (intuitu personae). He or she must protect its confidentiality and not disclose it under any circumstances. This obligation also applies to the representatives of any legal entity with a seat on the Board of Directors, as well as to independent advisors.

The information disclosed to members of the Board of Directors in their official capacity is subject to the provisions of regulation (EU) No. 596/2014 and related delegated regulations, as well as Articles L. 465-1 and L. 621-15 of the French Monetary and Financial Code relating to inside information, abstention requirements, and insider trading.

In particular, if the Board of Directors has received information of a precise nature that has not been made public, directly or indirectly regarding one or more issuers or one or more financial instruments which, if it were made public might markedly influence the price of the financial instruments concerned or associated derivatives, the members of the Board must abstain from:

- executing or attempting to execute insider trades, including:
  - either directly or indirectly buying or selling, for its own account or for a third party, the financial instruments to which that information relates,
  - canceling or altering orders previously placed on the Company's financial instruments;
- recommending or attempting to recommend to anyone to make insider trades or encouraging or attempting to encourage anyone to make insider trades based on Privileged Information;
- unlawfully disclosing or attempting to disclose privileged information, *i.e.,* disclosing such information to anyone unless the disclosure occurs in the normal course of work or the exercise of a profession or duties;
- making use of or communicating a recommendation or encouragement by an insider if the person knows or should know that it is based on privileged information.

Failure to comply with these obligations is punishable by administrative or criminal penalties.

(1) A senior official is anyone who, without being a member of an administrative body, has regular access to privileged information directly or indirectly regarding the Company and can make management decisions regarding the Company's future development and corporate strategy (Article 3, § 25 of regulation (EU) 596/2014). In accordance with this definition, the Company considers that the senior officials who meet this definition are the members of the Group's Executive Committee.

3.1.4 Organization and functioning of administrative and management bodies

The functioning of the Company's Board of Directors and executive management bodies is determined by the applicable laws and regulations, by the Articles of Association of the Company as well as by the Rules of Procedure of the Board of Directors, the main clauses of which are summarized or reproduced below.

3.1.4.1 Executive management

In accordance with the Articles of Association, day-to-day management of the Company shall be the responsibility of either the Chairman of the Board of Directors, or any other individual appointed by the Board of Directors and bearing the title of Chief Executive Officer.

The Board of Directors decides between the alternative arrangements for managing the Company mentioned above, in accordance with the quorum and majority requirements set forth in Article 12 of the Articles of Association. The shareholders and third parties will be given notice of this decision, as provided for by a decree of the French *Conseil d'État* (Council of State).

As of the date that this document was prepared, the Company was managed by the Chief Executive Officer, the roles of Chairman of the Board and Chief Executive Officer having been separated as decided by the Board of Directors on November 5, 2018.

The Board of Directors can remove the Chief Executive Officer from office at any time.

An individual may not simultaneously hold more than one office as Chief Executive Officer of *sociétés anonymes* (public companies) having their registered offices in France, except when the second office is held in a company controlled, within the meaning set forth in Article L. 233-16 of the French Commercial Code, by the company in which the first office is held.

The Chief Executive Officer may not be more than 75 years of age.

At least once a quarter, the Chief Executive Officer submits a report to the Board of Directors that includes the key figures for the main companies in the Group, most notably with respect to sales, profit, and performance in relation to forecasts.

The Chief Executive Officer also keeps the Board of Directors informed of any decision involving internal reorganization and any asset acquisition or disposal plans.

Once each half-year period, the Board of Directors examines the statement of the Group's off-balance sheet commitments presented by the Chief Financial Officer.

Deputy Chief Executive Officers

On the proposal of the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer and assume the title of Deputy Chief Executive Officer. The number of Deputy Chief Executive Officers may not exceed five.

The Board of Directors can remove a Deputy Chief Executive Officer from office on the proposal of the Chief Executive Officer. When removed without due cause, Deputy Chief Executive Officers may claim damages.

Deputy Chief Executive Officers may not be more than 75 years of age.

The Board of Directors has not appointed a Deputy Chief Executive Officer.

3.1.4.2 Board of Directors

Convening Board of Directors' meetings: A Board meeting can be convened by the Chairman, Vice Chairman in the event of the unavailability of the Chairman, or by half of the Board members as often as required in the interests of the Company, at a place specified in the notice of meeting. The Board decides how notice of meetings is to be given.

When the Board of Directors has not met for over two months, its members may request that the Chairman call a meeting with a specific agenda, provided that at least one third of all members sign the request.

The Chief Executive Officer may also request that the Chairman convene a Board meeting with a specific agenda.

At the end of each calendar year, the Board draws up a schedule of meetings for the following year, based on the Chairman's proposals.

The following persons are called to Board meetings:

- the members of the Board of Directors;
- the independent advisor;
- as of December 31, 2019, two members of the Social and Economic Committee, who are nominated by this committee and drawn from the managerial staff, attend the meetings of the Board of Directors in an advisory capacity;
- the Statutory Auditors, but only if the meeting is called to examine or approve annual or interim financial statements (such as half-yearly statements) or for any other purpose that might require their presence.

Members of the Executive Committee, particularly the Chief Financial Officer, are regularly requested to take part in meetings when the agenda warrants it.

The directors present at a Board meeting shall sign the attendance sheet.

Proceedings of the Board of Directors: the proceedings of Board meetings are not considered valid unless at least half of all Board members in office, and no fewer than two Board members, are present. Decisions are made by a majority vote of the members present or represented, with the exception of decisions that require a qualified majority pursuant to the delegation of powers ratified by an Annual General Shareholders' Meeting. If the votes are equal, the Chairman has a casting vote. When only two Board members are present, resolutions shall be passed by mutual agreement.

Pursuant to Article 12 of the Company's Articles of Association and Article 3 of the Rules of Procedure of the Board of Directors, directors are deemed to be present for the purpose of calculating the quorum and majority if they take part in Board meetings *via* videoconferencing or other telecommunications systems allowing them to be identified and guaranteeing their effective participation as per the conditions laid down in the relevant statutory provisions, except when the Board meets for the matters referred to in Articles L. 232-1 and L. 233-16 of the French Commercial Code. It will be proposed to the Annual General Shareholders' Meeting of June 11, 2020 that Article 2 of the Articles of Association should be amended in order to provide that certain decisions falling within the Board's own competence may be taken by means of written consultation with the directors, as provided for by law. These are decisions relating to the temporary appointment of new members of the Board of Directors (or the Supervisory Board) in the event of a seat becoming vacant following a death or resignation or when the number of members is below the legal or statutory minimum or if the Board's gender equality criteria are no longer satisfied, authorization of the sureties and warranties given by the company, harmonization of the Articles of Association with legal and regulatory provisions, convening the Annual General Shareholders' Meeting and transferring the Company's head office within the same department.

In the event that a proposal to re-appoint or appoint the Chairman of the Board and/or the Chief Executive Officer is voted down, a new candidate must be proposed to the Board within five business days following said vote. In the event of a tie, the Chairman shall have a casting vote.

Minutes of the Board meeting proceedings shall be entered in a special minute book and signed by the Chairman and at least one director.

Extracts or copies of said minutes shall be validly certified by the Chairman of the Board, the Chief Executive Officer, the Deputy Chief Executive Officers, or the Vice-Chairman temporarily appointed as Chairman. In the event of liquidation, such extracts or copies shall be validly certified by the liquidator.

Powers of the Board of Directors: the Board of Directors determines the Company's strategy and oversees its implementation. Subject to the powers expressly granted to the Shareholders' Meetings and within the limit of the Company's corporate purpose, the Board deals with all matters concerning the smooth running of the Company and, through its decisions, manages the Company's business.

The Board strives to promote long-term value creation by the Company in considering the social and environmental issues related to its business and, where necessary, proposes any changes to the Articles of Association that it deems to be appropriate.

It is kept informed about market developments, the competitive environment and the main challenges facing the company, including in the area of social and environmental responsibility.

In line with the strategy that it has defined, the Board regularly examines opportunities and risks, including financial, legal, operational, social and environmental risks, as well as the measures taken to address them.

Where appropriate, the Board ensures that a system is put in place to prevent and detect corruption and influence peddling.

On the recommendation of the Compensation, Appointments and Governance Committee, the Board defines a diversity policy and applies it to the members of the Board.

It also ensures that the directors and executive officers implement a policy of non-discrimination and diversity, particularly with regard to the balanced representation of women and men in decision-making bodies.

In its relationships with third parties, the Company shall be bound even by Board actions that are outside the scope of the Company's purpose, unless it can prove that the third party was aware that the action was outside the Company's purpose or could not be unaware of this given the circumstances, provided the mere publication of these Articles will be inadequate proof.

The Board of Directors performs any checks and verifications it considers appropriate. The Chairman or the Chief Executive Officer of the Company must provide each director with any documents and information required for the performance of their duties.

The Chief Executive Officer shall inform the Board on a regular basis of the resolutions planned or implemented by him as part of the management of the Company.

Any security, surety or guarantee provided by the Company must be approved by a resolution of the Board, which may set an overall annual amount, or an amount per commitment, below which its authorization would not be necessary.

Chairman: the Chairman of the Board of Directors organizes and directs the work of the Board and reports on this to the Annual General Shareholders' Meeting.

As such, he/she may:

- take part in certain internal meetings with executives and in the meetings of some committees;
- consult, be consulted and discuss with the Chief Executive Officer certain events of significance and strategic importance for the Company;
- ensure that the Company's various bodies are performing effectively and that the Directors are able to perform their duties.

He regularly informs the Board of Directors of significant events and transactions related to the Company's strategy.

The Chairman presents the directors with the draft related-party agreements referred to in Articles L. 225-38 *et seq.* of the French Commercial Code. He notifies the Statutory Auditors of all agreements that have been authorized and concluded before they are ratified by an Ordinary Annual General Shareholders' Meeting.

Information provided to each director: the ongoing provision of timely information to the members of the Board of Directors is a vital prerequisite for the fulfillment of their mandate.

At any time during the year, the Board of Directors may conduct the verifications and controls it deems appropriate. The Chairman or the Chief Executive Officer must provide directors with any documents and information required for the performance of their duties.

Insofar as it is possible, the Board members are informed no later than eight days prior to the date of the next Board meeting of all points to be discussed at that meeting, and they are supplied, within the same time limit, with any materials they may need to examine and understand the points on the agenda, so that they may properly fulfill their mandate. This obligation to provide timely, relevant and exhaustive information is the responsibility of the Chairman of the Board of Directors and the Chief Executive Officer.

Similarly, the Board members must make sure that they have all the information they need to fulfill their mandate. It is their duty to request any further information they may require.

Representation of members of the Board of Directors: any director has the option of providing written authorization for another director to represent them at a Board meeting. Each director is limited to having no more than one proxy at a given Board meeting.

3.1.4.3 Mandate of the Board of Directors

Within the framework of its legal prerogatives, the Board of Directors has the following responsibilities:

- to determine the Company's strategic policies and ensure that they are implemented;
- subject to the powers expressly assigned by law to the General Shareholders' Meetings, to concern itself with all issues related to the proper functioning of the Company and settle them through its proceedings;
- to examine all acts by which the various Group entities benefit from funding and guarantee instruments;
- to study all internal or external transactions likely to have a material impact on profits or to alter the balance sheet structure substantially;
- to carry out any controls and verifications it may deem appropriate.

Commitments by the Company to provide guarantee instruments may only be authorized by the Chief Executive Officer with the prior approval of the Board of Directors. In practice, each year, the Board of Directors sets a global amount and an amount per commitment, below which its prior approval is not required.

In accordance with the procedure described in Article L. 225-38 of the French Commercial Code, the Board of Directors also approves the agreements concluded between the Company and any of its executive officers, directors or shareholders holding more than 10% of the Company's voting rights.

It also makes the decisions in the aforementioned matters.

3.1.4.4 Activity of the Board of Directors during the year ended December 31, 2019

The Board of Directors met thirteen (13) times during the year ended December 31, 2019.

The attendance rate of Board members, including members participating *via* telecommunications, was 89,5% during the year ended December 31, 2019.

Individual attendance by directors at Board and committee meetings – measured *prorata temporis* for members who were appointed or who left the Board of Directors or one of the committees during 2019 – was as follows:

Attendance	Board of Directors	Audit and Finance Committee	Compensation, Appointments and Governance Committee	Strategic Committee
Bernard BOURIGEAUD Director Chairman of the Board of Directors	100%		100%	100%
Nicolas HUSS Chief Executive Officer and director	92%			
Agnès AUDIER Independent director since June 11, 2019	83%	100%		75%
Diaa ELYAACOUBI Independent director	77%		71%	83%
Arnaud LUCIEN Director representing employees	92%			100%
Xavier MORENO Independent director	100%		100%	83%
Caroline PAROT Independent director	85%	100%		100%
Thierry SOMMELET Independent director	100%		86%	100%
Nazan SOMER ÖZELGIN Independent director since June 11, 2019	83%	100%		100%
Sophie STABILE Independent director	77%	100%		83%
Michael STOLLARZ Director since June 11, 2019	83%		0% of one meeting(1)	83%
Élie VANNIER Independent director	92%	100%		83%

(1) *Michael Stollarz was appointed on June 11, 2019 and joined the committee on July 23, 2019. Since that date, the committee has held one meeting, which he was unable to attend due to commitments made prior to his appointment.*

In addition to reviewing the specific work prepared by the special focus committees, during its meetings in the year ended December 31, 2019, the Board of Directors also dealt with the following matters:

- the approval of the parent company and consolidated annual financial statements for the year ended December 31, 2018, and the appropriation of net profit or loss;
- preparation for the Annual Combined Ordinary and Extraordinary Shareholders' Meeting: the Board of Directors approved the text of the resolutions to be submitted to the Annual Combined Ordinary and Extraordinary Shareholders' Meeting held on June 11, 2019 as well as the management report and the corporate governance report;
- the compensation of the Chairman of the Board of Directors and Chief Executive Officer;
- the allocation of attendance fees for 2018;
- the capital increase as part of the payment of stock dividends;
- the performance evaluation of the Board of Directors and its committees;
- the review of the consolidated financial statements for the half-year ended June 30, 2019, and quarterly revenues;
- the approval of forecast documentation;
- the review of various strategic projects;
- Company policy on gender equality and equal pay;
- the selection of new directors whose appointments were approved at the Annual General Shareholders' Meeting of June 11, 2019;
- the approval of the annual budget for 2020;
- the free performance share award plan for 2019.

In addition, the Board of Directors has approved the procedure for evaluating ongoing agreements concluded under normal conditions, the first annual implementation report of which will be submitted to the Board of Directors during 2020.

Performance evaluation of the Board of Directors

In accordance with the AFEP-MEDEF Code and its Rules of Procedure, every year the Board of Directors evaluates how well it has met the expectations of its shareholders, having been appointed by them to run the Company. This evaluation reviews its composition, organization and performance as well as that of its committees, and the contribution of each individual member.

Once a year, the non-executive directors meet together in the absence of the Chief Executive Officer to evaluate his or her performance.

The non-executive directors meet several times per year, generally at the end of Board of Directors' meetings.

For 2019, the evaluation of the Board of Directors was conducted internally at the beginning of 2020, as an external evaluation was carried out for the years 2016 and 2017. In this regard, all directors were sent questionnaires that had previously been approved by the Compensation, Appointments and Governance Committee. The questions concerned the general functioning of the Board, its duties, the way its meetings were conducted, the resources available to the Board, the major themes addressed, relations with management and committees.

The results of these questionnaires enabled the Board to review the way it operates and to check that important issues were being properly prepared for and discussed. They also made it possible to measure the actual contribution of each director to the Board's performance.

This assessment process resulted in a report that was presented to the Board of Directors on February 25, 2020.

The evaluation found that very positive progress had been noted in the Board's performance, particularly since the change in governance in November 2018.

The directors welcome skills diversity, independence and gender equality on the Board. They indicate that in case of changes, profiles from the digital and payment sectors would be welcomed. They also feel that the interactions with the members of management are very positive.

Members of the Board and its committees consider meeting frequency and length to be satisfactory and that the resources available to them are adequate for performing their duties. They find that the matters that are covered are relevant.

The directors feel that the presentations submitted are of good quality and would benefit from being more concise. They unanimously highlighted improvements in terms of time to share documents while insisting on the necessary continuous improvement.

The Board appreciate the integration of certain suggestions resulting from the evaluation for the previous year, particularly regarding the length of meetings and considerations related to strategy.

The main areas for improvement relate primarily to the timely provision of materials for Board and committee meetings and to the succession plans monitoring, which should be monitored more regularly, as should the management of human resources. The Board should maintain the good dialogue in place with the management, both during and outside of meetings.

3.1.4.5 Special focus committees

The Board of Directors has set up three special focus committees – the Strategic Committee, the Audit and Finance Committee, and the Compensation, Appointments and Governance Committee – to help it function more effectively and facilitate its decision-making.

The Board of Directors on January 13, 2020 entrusted an *ad hoc* committee of five directors with a majority of independent directors to follow up on the work of the proposed public offer tabled on February 3, 2020 by Worldline covering all of the Company's securities.

The committees are composed mainly of directors, whether individuals or permanent representatives of legal entities, appointed by the Board of Directors.

They may also include one or more independent advisors, as well as one or more outside members selected for their particular skills, with the exception of the Audit and Finance Committee, which includes only directors. All committee members are required to serve in a personal capacity; no alternatives or proxies are permitted.

The Chairman of each committee reports on its work at the next meeting of the Board of Directors.

Minutes of each committee meeting are taken by the secretary of the Board of Directors, presented to the committee members for approval and sent to the Chairman of the Board of Directors.

Each committee issues proposals, recommendations and opinions, as appropriate, in its area of specialization as described below. A committee has the authority to perform, or to have performed, any study that may facilitate the decision-making of the Board of Directors. It may also question Group employees as needed, strictly for the purpose of carrying out the checks and verifications it is required to perform.

The composition, responsibilities and work of the special focus committees in 2019 are described below.

Strategic Committee

Composition of the Strategic Committee

As of December 31, 2019, the committee was composed of eleven (11) members as follows:

- Bernard BOURIGEAUD, Chairman of the committee and director;
- Agnès AUDIER, independent director;
- Diaa ELYAACOUBI, independent director;
- Arnaud LUCIEN, director representing employees;
- Xavier MORENO, independent director;
- Caroline PAROT, independent director;
- Nazan SOMER ÖZELGIN, independent director;
- Thierry SOMMELET, independent director;
- Sophie STABILE, independent director;
- Michael STOLLARZ, director;
- Élie VANNIER, independent director.

Functioning of the Strategic Committee

The committee informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Each year, the committee holds at least two meetings called by its Chairman, who also has the option of calling further meetings as required.

To fulfill this mandate, the Strategic Committee may act in conjunction with the Chairman or Chief Executive Officer to enlist the cooperation of Group functional and operational directors.

The committee may also make use of outside consultants and experts, subject to the approval of the Board of Directors.

Main responsibilities of the Strategic Committee

The Strategic Committee has been given the following mandate:

- to examine new investment projects and plans for expanding existing operations in France or abroad, as well as any possible asset acquisition or disposal plan, so that the Board of Directors may give the necessary approval;
- to monitor previous investments periodically and to carry out all appropriate research and assignments;
- to examine all proposals by financial investors or industrial groups for acquisition of a stake in the Company, particularly through merger and acquisition operations.

Work performed by the Strategic Committee

The Strategic Committee met six (6) times during the fiscal year ended December 31, 2019 and examined, in particular:

- the Group's ambitions, strategic directions and a comparative analysis of payment-ecosystem players;
- various M&A projects;
- the strategic rationale for and evaluation of potential mergers and acquisitions.

The attendance rate of committee members during the year ended December 31, 2019 was 90%.

Audit and Finance Committee

Composition of the Audit and Finance Committee

The Rules of Procedure of the Board of Directors specify that the Audit and Finance Committee must have no fewer than three (3) and no more than seven (7) members, with the exception of those exercising executive responsibilities. At least two thirds of its members must be independent as defined by the Company. It must be chaired by an independent director and both the Chairman and the members must have financial and accounting (or statutory audit) expertise and are appointed by the Board of Directors.

As of December 31, 2019, this committee was composed of five (5) members as follows:

- Caroline PAROT, Chair of the committee and independent director;
- Agnès AUDIER, independent director;
- Nazan SOMER ÖZELGIN, independent director;
- Sophie STABILE, independent director;
- Élie VANNIER, independent director.

In accordance with section 16.1 of the AFEP-MEDEF Code, at least two-thirds of the Audit and Finance Committee members are independent.

Caroline Parot's experience and expertise, especially in finance, is described in chapter 3.2 below.

The other committee members also have financial, accounting or statutory auditing skills, gained through their professional experience as described in chapter 3.2 below.

Functioning of the Audit and Finance Committee

Each year, the Audit and Finance Committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required.

The Rules of Procedure of the Board of Directors and its committees state that the Audit and Finance Committee should evaluate its performance once a year.

In accordance with Article 6 of the Rules of Procedure, the Audit and Finance Committee may benefit from the assistance or participation of all departments in the Company and its subsidiaries (heads of finance, accounting, cash management, internal audit and risk control, etc.). To carry out its duties, the Audit and Finance Committee may, with the approval of the Board of Directors, seek any outside advice or expertise that it deems necessary.

Main responsibilities of the Audit and Finance Committee

The mandate of the Audit and Finance Committee is to assist the Board of Directors in continually monitoring the way in which the Company is managed, in compliance with the legislation and with the Company's Articles of Association, and to check the accuracy and clarity of the information provided to shareholders and the markets. The committee is also responsible for reporting any irregularities or anomalies it may detect in the Company's financial statements or internal control and risk management procedures.

It is responsible for monitoring and giving its opinion to the Board of Directors on the following topics:

- the audit of financial statements by the Statutory Auditors, which includes monitoring the auditors' due performance of their duties, and taking into account the findings and conclusions of H3C following the controls performed pursuant to Articles L. 821-9 *et seq.* of the French Commercial Code;
- the close procedures and content of annual and half-year financial statements;
- the process of preparing financial information and may, if necessary, make recommendations to guarantee integrity;
- significant financial transactions (debt, shareholders' equity, quasi-equity, etc.) proposed by the Company;
- the effectiveness of internal control and risk management systems as well as, where applicable, the internal audit, specifically in relation to the procedures used to prepare and process accounting, financial and non-financial information, without such activities compromising its independence;
- the independence of the Statutory Auditors and notably, ensuring compliance by the auditors with the conditions relating to their independence, and, where applicable, taking the necessary measures to apply the provisions pertaining to the economic independence of auditors referred to in Article 4 § 3 of regulation (EU) No. 537/2014, as well as compliance with the conditions mentioned in Article 6 of this same regulation;
- the relevance and the consistency of accounting methods, in particular for processing significant transactions;
- significant transactions that could involve a conflict of interest.

The committee is involved in proposing candidates to be appointed or to replace Statutory Auditors for the Company and its subsidiaries, and issues recommendations on these candidates. It also approves the provision of services other than certification of the financial statements.

For certain issues, such as accounting treatment or the financial aspects of major transactions, the input of other committees is required. In this case, the Audit and Finance Committee may ask the chairmen of the relevant committees to collaborate under the terms that they define with the approval of the Chairman of the Board of Directors.

The Statutory Auditors:

- inform the committee, at the beginning of the year, of the audit procedure that they intend to use;
- maintain contact with the committee, particularly *via* meetings to examine the process for preparing financial information and reviewing the financial statements, to report on the execution of their duties and the conclusions they have drawn as a result of their work;
- alert the committee to:
  - any changes that they believe should be made to the financial statements or other accounting documents, providing any useful observations about the valuation methods used to prepare them,
  - any irregularities or inaccuracies they may have discovered;
- submit to the committee their conclusions drawn from the above observations and changes on the earnings for the period compared with those for the previous period;
- inform the committee of any risks that could compromise their independence and the protective measures taken to reduce these risks;
- notify the committee of any significant weaknesses in internal control procedures relating to the preparation and processing of accounting and financial information.

Every year, they provide the Audit and Finance Committee with a statement of independence and an update regarding the total amount of fees received by their network in respect of the services rendered in performing the due diligence directly related to the work of the Statutory Auditors and services that are not directly related to that work.

The auditors submit to the Audit and Finance Committee, at the latest on the date of presenting the audit report, the additional report required by Article L. 823-16-III of the French Commercial Code.

Work performed by the Audit and Finance Committee

The Audit Committee met seven (7) times during the year ended December 31, 2019.

The attendance rate of committee members during the year ended December 31, 2019 was 100%.

During its meetings of the year ended December 31, 2019, the committee examined:

- the financial statements:
  - the consolidated and annual financial statements for 2018,
  - financial statements for the first half of 2019,
  - the financial statements for the first and third quarters of 2019;
- all press releases on Group earnings;
- the assignments and fees of the Statutory Auditors;
- the forecast documentation;
- the 2019 and 2020 budgets;
- the Group's financing;
- the internal audit assessment for 2018 and the schedule for 2019;
- internal control;
- the review and monitoring of the risk management system;
- other cash management topics;
- annual renewal of the authorization to issue warranties;
- the examination of the Company's significant off-balance sheet commitments;
- the Statutory Auditors providing services other than the certification of financial statements.

Compensation, Appointments and Governance Committee

This committee is composed of three (3) to six (6) directors. The majority of its members must be independent. It is chaired by an independent director.

Composition of the Compensation, Appointments and Governance Committee

As of December 31, 2019, the committee had six (6) members:

- Xavier MORENO, Chairman of the committee and independent director;
- Bernard BOURIGEAUD, Chairman of the Board of Directors, director;
- Diaa ELYAACOUBI, independent director;
- Thierry SOMMELET, independent director;
- Michael STOLLARZ, director;
- William NAHUM, independent advisor.

In line with paragraphs 17.1 and 18.1 of the AFEP-MEDEF Code, the committee Chairman and the majority of the committee members are independent directors. The committee does not include any executive directors.

Functioning of the Compensation, Appointments and Governance Committee

Under the Rules of Procedure, each year, the committee holds at least three meetings called by its Chairman, who also has the option of calling further meetings as required. The Chairman of the Board of Directors is a member of the committee and the Chief Executive Officer may be involved in the committee's work.

Main responsibilities of the Compensation, Appointments and Governance Committee

The Compensation, Appointments and Governance Committee makes recommendations to the Board of Directors on the compensation of directors and executive officers, the total amount of compensation (previously known as "attendance fees") allocated to the directors and the independent advisor and how it is distributed, as well as on performance share awards and stock options granted to Group employees and executive officers, and on employee shareholding policy in general. It also makes recommendations on the composition of the Board of Directors and its committees, prepares the annual evaluation of the Board and its committees and deliberates on all questions related to corporate governance, social and environmental responsibility and ethics within the Group.

It is also responsible for preparing and updating the succession plan for executives, proposing a diversity policy and making recommendations on appointments to the Group's management or Board of Directors.

The committee periodically informs the Board of Directors of its work, research and recommendations. It is up to the Board to determine what use should be made of such information.

Work performed by the Compensation, Appointments and Governance Committee

The Compensation, Appointments and Governance Committee met seven (7) times during the year ended December 31, 2019.

The attendance rate of committee members during the year ended December 31, 2019 was 78%.

In particular, it examined the following issues:

- review of changes to regulations and corporate governance practices;
- the process for evaluating the Board's performance in 2019 was carried out internally on the basis of a questionnaire. Its findings were presented to the Board of Directors on February 25, 2020; it was concluded that directors were satisfied overall with the Board's performance and the quality of information provided (for more details, see the section entitled "Performance evaluation of the Board of Directors" above);
- the analysis of the independence of directors with regard to the independence criteria set out in the AFEP-MEDEF Code;
- Company policy on gender equality and equal pay;
- the free performance share award plan;
- the compensation of the Chairman of the Board of Directors and Chief Executive Officer;
- the selection of new directors;
- the compensation policy for directors and executive officers;
- the distribution of the compensation for directors and the independent advisor for 2018;
- the formula for distributing the compensation for directors and the independent advisor for 2020.

3.2 POSITIONS AND DUTIES AS OF DECEMBER 31, 2019, OF THE BOARD MEMBERS AT THE DATE OF THIS UNIVERSAL REGISTRATION DOCUMENT

Bernard BOURIGEAUD

Chairman of the Board of Directors
Director
Chair of the Strategic Committee
Member of the Compensation, Appointments and Governance Committee

First appointed: April 29, 2016

Date of last renewal: May 10, 2017

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2019

Number of shares held as of December 31, 2019: 26,309

Experience and expertise

Bernard Bourigeaud was born on March 20, 1944 in Bordeaux, France. He is a French citizen.

Bernard Bourigeaud is behind the creation and development of one of the world's largest IT services and payments groups, Atos, which he chaired for 16 years. Prior to this, he was Chairman at Deloitte in France and had an international career at PricewaterhouseCoopers and Continental Grain, in particular in the United Kingdom. Today, he is an investor, consultant and director of several companies, a member of the Advisory Board of Jefferies in New York and an operating partner of Aalto Invest in London. He is also an affiliate professor at HEC in Paris.

In addition to his previous roles within Atos and its subsidiaries, he has also served as a member of the Boards of CGI, Business Objects, SNT (a subsidiary of KPN), Hagemeyer, Neopost, Tibco Software, CCMX, Automic in Austria, and Oberthur Technologies. He was also a member of the Governing Board of the International Paralympic Committee (IPC) from September 2011 to September 2017. Bernard Bourigeaud is a qualified chartered accountant and holds a degree in Economics and Management. He is a Knight of the Legion of Honor and former President of CEPS (Center for Long-Term Strategic Studies).

Other positions and duties

WITHIN INGENICO GROUP IN 2019
- Chairman of the Board of Directors

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Chairman of BJB Consulting and Newton Partners (Belgium)

Other current positions and duties:
- Director of GFI Informatique (France)
- Member of the Advisory Board of Jefferies New York (United States)

Positions held in the past five years

Director of:
- CGI* (Canada) until January 2019
- Holistic Innovations (United States) until 2018
- Automic (Austria) until January 2017
- Non-executive Chairman of Oberthur Technology SA until May 2017
- Non-executive Vice-President of Oberthur Technology Holding until May 2017
- Operating Partner at Advent International until April 2017
- Member of the International Paralympic Committee until September 2017

* *Listed company.*

Nicolas HUSS
Chief Executive Officer
Director

First appointed: November 5, 2018

Date of last renewal: June 11, 2019

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2021

Number of shares held as of December 31, 2019: 1,178

Experience and expertise

Born in Nice, France on August 27, 1964, Nicolas Huss is a French citizen.

Nicolas Huss was appointed Chief Executive Officer in November 2018. He had previously held the office of Chief Operating Officer since July 2018 and headed up the Group's "Retail" and "B&A" Divisions. Prior to that, he was Executive Vice-Chairman and head of the Retail Division from September 2017.

Nicolas Huss has proven expertise in the field of financial services and business change. He recently served as Chairman and Chief Executive Officer of Visa Europe and was a member of the Executive Committee of Visa Inc. He has also worked for GE Capital, Bank of America and Apollo Global Management in various countries.

Nicolas Huss is also an independent director of Amadeus.

Nicolas Huss holds an undergraduate degree in Law and a Master's degree in Political Science.

Other positions and duties

WITHIN INGENICO GROUP IN 2019

Legal representative:
- Ingenico Eastern Europe, Sàrl (Luxembourg), Ingenico Group SA, represented by Nicolas Huss, sole manager from November 5, 2018 to December 31, 2019

Director and Chairman of the Board:
- Bambora Top Holding AB (Sweden), Director since June 2018, and Chairman since November 2018
- Bambora AB (Sweden), Director since November 2017 and Chairman since June 2018

Director:
- Bambora Group AB (Sweden), since November 2017

Chairman of the Shareholders' Committee:
- Ingenico PAYONE Holding GmbH (Germany), since January 2019
- Global Collect Services B.V. (Netherlands), since April 2019

Member of the Shareholders' Committee:
- PAYONE GmbH (Germany), since August 2019

OUTSIDE OF INGENICO GROUP IN 2019

Main position:
- None

Other current positions and duties:
- Independent director of Amadeus IT Group, SA* (Spain)

Positions held in the past five years

Ingenico Group SA:
- Chief Operating Officer, from July 2018 to November 2018
- Executive Vice-Chairman of the Retail Division, from September 2017 to June 2018
- Executive Vice-Chairman Strategy and Performance, from July 2017 to September 2017

Visa Europe Limited (UK):
- Chairman of the Board and Chief Executive Officer, from October 2013 to April 2017

Fujian Landi Commercial Equipments Co., Ltd (China) Co., Ltd:
- Director and Chairman from December 2018 to May 2019

Ingenico Holdings Asia Limited (Hong Kong):
- Director from November 2018 to May 2019

* *Listed company.*

Agnès AUDIER

Independent director
Member of the Audit and Finance Committee
Member of the Strategic Committee

First appointed: June 11, 2019

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2020

Number of shares held as of December 31, 2019: None

Number of shares held at the date of the present document: 1,010

Experience and expertise

Agnès Audier, born on November 3, 1964, is a French citizen.

Agnès Audier is a Senior Advisor at the Boston Consulting Group (BCG) and a consultant supporting startups and digital transformation in the Tech and HealthTech sectors. She has previously held the role of Partner and Managing Director, and was a member of the Europe and Latin America management committee.

Before joining the BCG in 2007, Agnès Audier was a member of the Executive Committee of Havas, where she held the role of Executive Vice President, Chief Performance Officer from 2003 to 2005 before joining the Audit team of the French Ministry of Finance *(Inspection générale des finances)* in 2006.

Previously, she served as Chief Operating Officer of Vivendi Universal's Internet and Technology BU, after being chief of Strategy and Business Development, as well as Secretary of the Executive Committee.

Before taking up these positions, Agnès Audier worked in public service, including in the cabinet of the French Minister of Health and Social and Urban Affairs, and then as head of cabinet of the French Minister for SMEs.

Agnès Audier is a Chief Engineer of prestigious French state engineering institution the *Corps des mines.* She is also a graduate of the *Institut d'études politiques* in Paris, an alumna of the *École normale supérieure,* and holds the highest French teaching qualification *(agrégation)* in physical sciences. She has a postgraduate degree (DEA) in materials science and spent two years writing a thesis on high-temperature superconductors.

Other positions and duties

WITHIN INGENICO GROUP IN 2019
None

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Senior Advisor at Boston Consulting Group
- Consultant for digital and data transformation

Other current positions and duties:

Director and member of the Audit and Compensation Committees:
- Eutelsat*

Chair of the Board of Directors (unpaid position):
- SOS Seniors (non-profit organization)

Positions held in the past five years

Partner and Managing director:
- The Boston Consulting Group

* *Listed company.*

Diaa ELYAACOUBI

Independent director
Member of the Strategic Committee
Member of the Compensation, Appointments and Governance Committee

First appointed: April 28, 2011

Date of last renewal: April 29, 2016

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2021

Number of shares held as of December 31, 2019: 2,142

Experience and expertise

Born in Morocco on November 8, 1970, Diaa Elyaacoubi is a French citizen.

Diaa Elyaacoubi has spent most of her career as an entrepreneur, mainly in new technologies. In 1999, she founded e-Brands, Europe's leading provider of white label connectivity solutions, such as Internet access and SMS, now a Vivendi subsidiary. In 2003, she founded and now chairs Streamcore, a manufacturer of telecoms networking equipment. She also co-founded *Esprits d'Entreprises,* a French think tank that brings together more than 400 entrepreneurs and business leaders, and is President of *100 Jours Pour Entreprendre,* a movement that sponsors and mentors young entrepreneurs. She is also a member of the Supervisory Board of Oddo & Cie. Diaa Elyaacoubi is a graduate of the *École supérieure des télécommunications* in Paris.

Other positions and duties

WITHIN INGENICO GROUP IN 2019
None

OUTSIDE INGENICO GROUP IN 2019

Main position:
- President of the holding company ODYSSEE 2045
- Director of AGORA Limited HK and OLAVIE SA (Belgium)
- Manager of ODYSEE SASU France
- Founder and Chairwoman of *Esprits d'Entreprises* since May 2013. This business association brings together over 400 entrepreneurs and managers of mid-cap companies and SMEs in a think tank to promote the ideas of its members and their companies
- Founder of the *"100 Jours Pour Entreprendre"* movement
- Director of *Institut Polytechnique de Paris*

Other current positions and duties:
- Manager of SCI Delya 2
- Manager of SCI Delya 3
- Manager of SCI Immobilière 1

Positions held in the past five years

- Manager of SCI Kat Mandou
- Member of the Supervisory Board of Oddo & Cie from 2013 to 2019

Arnaud LUCIEN

Director representing employees
Member of the Strategic Committee

First appointed: September 27, 2018

Date of expiry of term of office: September 27, 2021

Number of shares held as of December 31, 2019: N/A

Experience and expertise

Arnaud Lucien was born on February 25, 1977 and is a French citizen.

He is Head of API (Application Programming Interface) and Development Tools.

Arnaud Lucien has spent his whole career with Ingenico Group: from 2000 to 2003, he worked as a software development consultant working on integrated payment services for the “Retail & Petrol” market in France, then from 2003 he was a project manager on pan-European solutions. In 2007, he joined the team responsible for the software development environment within the Group’s research and development unit. In 2012, he took responsibility for this team and helped it to expand to cover the full tool chain needed for the ongoing integration of embedded software. Now, he manages the tools and professional APIs (Application Programming Interfaces) facilitating the rollout of the new range of Android-based terminals.

Arnaud Lucien holds an “international curriculum” Engineering degree from ENSICAEN in France, specializing in e-banking and IT security.

Other positions and duties

WITHIN INGENICO GROUP IN 2018

Main position:
- Head of API (Application Programming Interface) and Development Tools at Ingenico Terminals

OUTSIDE INGENICO GROUP IN 2019

Main position:
None

Other current positions and duties:
None

Positions held in the past five years

- Head of Software Development Tools at Ingenico Group from 2015 to 2017
- Head of Software Development Tools and Continuous Integration at Ingenico Terminals from 2017 to September 2019

Xavier MORENO

Independent director
Chair of the Compensation, Appointments and Governance Committee
Member of the Strategic Committee

First appointed: May 14, 2008

Date of last renewal: May 16, 2018

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2020

Number of shares held as of December 31, 2019: 16,518

Experience and expertise

Xavier Moreno was born on December 14, 1948 in Nice, France. He is a French citizen.

Xavier Moreno is non-executive chairman of Astorg, a leading European private equity firm that invests in business transfers (LBOs) valued at between €100 million and €1,500 million. Founded in 1998 and controlled by its partners, Astorg manages approximately €8 billion in capital and has invested in 30 businesses in the last 15 years. Xavier Moreno began his career at the Treasury Department of the French Ministry of Finance. In 1985, he joined Sanofi then led the Agro Veterinary Division and became a member of the Executive Committee. In 1991, he joined the Suez group to lead investments in industry and private equity until the spin-off of Astorg in 1998.

Xavier Moreno is a graduate of the *École polytechnique*, the Paris Institute of Political Studies (IEP) and the *École nationale d'administration* (ENA).

Other positions and duties

WITHIN INGENICO GROUP IN 2019
None

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Partner and Chairman of the Compensation, Appointments and Governance Committee of Astorg Group

Other current positions and duties:

Managing director:
- MRN Invest Sàrl

Member of the Board of Directors:
- HERA SAS

Positions held in the past five years

Chairman:
- Financière Amaryllis IV SAS until December 2015
- Financière Muscaris IV SAS until December 2015
- Financière Ofic SAS until December 2017
- Astorg Team III SAS SCR until December 2018
- Astorg Partners SAS until April 2019

Director:
- Ethypharm SA until July 2016
- Financière Verdi SAS until July 2016
- Super Cristal de Luxe until March 2016
- Cristal de Luxe until March 2016
- Onduline until December 2017

Supervisory Board member:
- GS & Cie Groupe SA until December 2015

Managing director:
- Astorg Asset Management Sarl until May 2018
- Astorg Advisory Services Sarl until May 2018
- Astorg group Sarl until May 2018
- Representative of Astorg Partners SAS

Caroline PAROT

Independent director
Chair of the Audit and Finance Committee
Member of the Strategic Committee

First appointed: March 21, 2017

Date of last renewal: May 10, 2017

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2019

Number of shares held as of December 31, 2019: 1,010

Experience and expertise

Caroline Parot, born on January 27, 1972, is a French citizen.

Caroline Parot is Chair of the Management Board of Europcar Mobility group. She joined Europcar Mobility group in 2011 and was appointed Chief Financial Officer in March 2012, and was later named Chief Executive Officer of Finance.

Previously, she held senior finance and group control positions (2009-2011) and served on the Executive Committee (2010-2011) within the Technicolor group. She was notably in charge of restructuring the debt of Thomson Technicolor. With the same group, she also served as Chief Financial Officer of the Technology segment (2008-2009) and controller of the Intellectual Property and License Management Department (2005-2008). She began her career in 1995 as an auditor at Ernst & Young, where she worked until 2005.

Caroline Parot holds a Master's degree in Finance from ESCP Business School and a postgraduate degree in Economics & Mathematics from Paris I Pantheon Sorbonne. She also holds a Higher Diploma of Accounting and Management.

Other positions and duties

WITHIN INGENICO GROUP IN 2019

None

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Chair of the Management Board of Europcar Mobility Group*

Other current positions and duties:

Chair:
- Europcar Services, Unipessoal, Lda (Portugal)

Positions held in the past five years

Chair:
- Europcar International SAS, until 2018
- Europcar Holding SAS, until 2018

Director:
- Europcar Australia Pty Ltd (Australia)
- CLA Trading Pty Ltd (Australia)
- BVJV Ltd (New Zealand) until May 2017
- PremierFirst Vehicle Rental EMEA Holdings Ltd (UK), until 2018

Permanent representative:
- Europcar International SAS in her capacity as Chair of Europcar France SAS, until 2018

Supervisory Board member:
- Europcar Autovermietung GmbH (Germany), until 2018
- Car2Go GmbH (Germany), until 2018

Member of the Monitoring and Development Committee:
- Ubeeqo International SAS until May 2017

* *Listed company.*

Nazan SOMER ÖZELGIN

Independent director
Member of the Audit and Finance Committee
Member of the Strategic Committee

First appointed: June 11, 2019

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2019

Number of shares held as of December 31, 2019: 1,000

Experience and expertise

Nazan Somer Özelgin, born November 6, 1963, is a Turkish citizen.

Nazan Somer Özelgin is a Supervisory Board Member of Unicredit Romania, Zagrebacka Banka (Unicredit Croatia) and Mapfre Insurance (Turkey). She also holds Deputy Chair responsibility in Zagrebacka in addition to being a member of the Risk Committee and Audit Committee. In Unicredit Romania, in addition to being a Supervisory Board Member, she is the Audit Committee Chairperson and Risk Committee, Nomination Committee and Remuneration Committee member.

In addition to these Supervisory Board responsibilities Nazan Somer Özelgin provides management consultancy services to some CEE banks.

Furthermore, she is the Board Member and Deputy Chair of Istanbul Golf Club and as part of her social responsibility efforts holds a chair in the Advisory Committee of Darussafaka Foundation (a reputable Turkish foundation focusing on education).

Before, Nazan Somer Özelgin was the Executive Vice President in charge of Retail Banking and a member of the Executive Committee of Yapi Kredi (one of the three largest private banks of Turkey) from 2009 to 2018. She joined Yapi Kredi Bank in Turkey in 2000 as Executive Vice President in charge of Individual Banking. Between 2003 and 2009, she served as Executive Vice President in charge of credit cards and consumer lending. She was also the acting Chief Financial Officer for Yapi Kredi between December 2004 and October 2005.

From 1988 to 2000, she served as an Independent Auditor of Arthur Andersen Istanbul office and obtained her Certified Public Accountant Certificate in 1993. During her career with Arthur Andersen, Nazan Somer Özelgin assumed auditing and financial consultancy responsibilities for companies in various sectors and ran many internal control and workflow reviews, restructuring and due diligence projects as well as company valuations especially in the financial sector. She was the partner in charge of financial sector from 1998 to 2000, when she also covered the cities of Bucharest and Sofia.

She began her career in 1985 with pharmaceutical company Pamer Sti, where she worked in the finance and accounting department.

Nazan Somer Özelgin has an undergraduate degree from the Business Administration Faculty of Bosphorus University, where she studied finance. She completed her high school education at the American Robert College in Istanbul.

Other positions and duties

WITHIN INGENICO GROUP IN 2019
None

OUTSIDE INGENICO GROUP IN 2019

Member of the Supervisory Board, Chair of the Audit committee and member of the Risk committee and the Appointments and Compensation Committee:
- Unicredit* (Romania)

Deputy Chair of the Supervisory Board, member of the Risk and Audit Committee:
- Zagrebecka Banka* (Croatia)

Supervisory Board member:
- Mapfre Sigorta A.S. Turkey
- Deputy Chair of Istanbul Golf Club

Member of the Advisory Board of Darussafaka (Foundation)

Positions held in the past five years

Member of the Board of Directors and member of the Audit, Risk and Finance Committee:
- Visa Europe (2003-2016)

Member of the Board of Directors and Chair of the Audit, Risk and Finance Committee:
- 441 Trust Company Limited, United Kingdom (2016-2017)

Member of the Board of Directors and Chair:
- Visa Turkish National Board (2003-2017)

Member of the Board of Directors:
- Yapi Kredi Azerbaijan (2012-2017)

Supervisory Board member:
- Tani Pazarlama (Koç Holding CRM company) – (2014-2018)

Executive Vice-President:
- Yapi ve Kredi Bankasi (2000-2018)

* *Listed company.*

Thierry SOMMELET

Independent director
Member of the Strategic Committee
Member of the Compensation, Appointments and Governance Committee

First appointed: May 16, 2018

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2020

Number of shares held as of December 31, 2019: 1,010

Experience and expertise

Thierry Sommelet, was born on December 10, 1969. He is a French citizen.

Thierry Sommelet is Director of the Capital Development Department in charge of the Technology, Media and Telecom sector and member of the Executive Committee at Bpifrance Investissement. Thierry Sommelet has more than 15 years of investment experience in listed and unlisted companies in the TMT sector.

Thierry Sommelet began his career working in capital markets at Crédit Commercial de France in 1992 in Paris, then in New York. He subsequently became Manager of the financial engineering team at Renaissance Software in London, then Deputy Chief Executive Officer of media company InfosCE in 2001. In 2002, he joined the Investments and Digital Participations Department of Caisse des Dépôts et Consignations, a French public entity, which he headed up in 2007.

After joining Fonds Stratégique d'Investissement in 2009, Thierry Sommelet became part of the team at Bpifrance Investissement when it was created in 2013.

Thierry Sommelet graduated from the ENPC *(École nationale des ponts et chaussées)* Civil Engineering School in Paris and also holds an MBA from INSEAD.

Other positions and duties

WITHIN INGENICO GROUP IN 2019
None

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Director of the Capital Development Department at Bpifrance Investissement, Head of Technology, Media and Telecoms

Other current positions and duties:

As Bpifrance Investissements' permanent representative:
- Director of Idemia SAS

As Bpifrance Participations' permanent representative:
- Director of Technicolor SA*

In his own name:
- Director of Soitec SA*
- Director of Talend SA*
- Chairman of the Supervisory Board of Greenbureau SA

Positions held in the past five years

As Bpifrance Participations' permanent representative:
- Member of the Supervisory Board of Inside Secure SA*
- Director of Tyrol Acquisition 1 SAS
- Director of Mersen*

In his own name:
- Member of the Supervisory Board of Sipartech SAS and Cloudwatt SA
- Director of TDF SAS
- Chairman of the Board of Soitec SA*

* *Listed company.*

Sophie STABILE

Independent director
Member of the Audit and Finance Committee
Member of the Strategic Committee

First appointed: March 27, 2018

Date of last renewal: June 11, 2019

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2021

Number of shares held as of December 31, 2019: 10

Experience and expertise

Sophie Stabile was born on March 19, 1970. She is a French citizen.

Sophie Stabile is founder of Révérence, consulting firm, equity investments in the real estate and hotel sector. She was Chief Executive Officer of HotelsServices France and Switzerland, within the AccorHotels group, from 2015 to 2018. She was also a member of the AccorHotels' Executive Committee.

Previously, she held the positions of Chief of Accor's Consolidation and Information Systems Department (1999-2006) and the group's Controller-General (2006-2010), before being appointed Chief Financial Officer and a member of Accor's Executive Committee (2010-2015).

She began her career in 1994 at Deloitte Touche, where she worked as an audit supervisor until 1999.

Sophie Stabile is a graduate of the *École supérieure de gestion et finances.*

Other positions and duties

WITHIN INGENICO GROUP IN 2019
None

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Founder of Révérence, consulting firm, equity investments in the real estate and hotel sector

Other current positions and duties:

Supervisory Board member:
- Unibail Rodamco Westfield*

Director:
- Spie*
- Sodexo*
- Bpifrance Participations SA and Bpifrance Investissement SAS

Positions held in the past five years

Supervisory Board Chairwoman:
- Orbis* (company listed on the Warsaw stock exchange), until 2016

Supervisory Board member:
- Altamir* until 2019

* *Listed company.*

Michael STOLLARZ

Director
Member of the Compensation, Appointments and Governance Committee
Member of the Strategic Committee

First appointed: June 11, 2019

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2021

Number of shares held as of December 31, 2019: None

Experience and expertise

Michael Stollarz, born on June 17, 1966, is a German citizen.

Since January 2018, Dr. Michael Stollarz has been Chief Executive Officer of Deutscher Sparkassen Verlag GmbH (DSV Group).

Michael Stollarz began his professional career with an apprenticeship in banking. He also holds a doctorate in law. After several internships at Westdeutscher Handwerkskammertag and Hornblower Fischer, Dr. Michael Stollarz joined the publishing house Handelsblatt as legal counsel, and was quickly promoted to Head of the Investment Department. In 2007, Dr. Stollarz was appointed to the Executive Committee, where he was the youngest serving member. In particular, he was responsible for the digitization of the Group, specialized media, and corporate publishing. After 12 years at Handelsblatt, Dr. Michael Stollarz took over the management of Hubert Burda International GmbH, becoming its Director of Digital Strategy, where he set up the International Affairs branch. He was then appointed partner at Executive Interim Partners GmbH and manager at Flick Gocke Schaumburg shortly afterwards.

Dr. Stollarz then joined the DSV Group.

In addition to his role as Chief Executive Officer of the DSV Group, Dr. Stollarz is a member of several supervisory boards, advisory boards and committees.

He has also been manager of Otto Schmidt Beteiligungsgesellschaft since 2016.

Other positions and duties

WITHIN INGENICO GROUP IN 2019

- Member of the Supervisory Committee of Payone GmbH
- Member of the Shareholders' Committee of Ingenico Payone Holding GmbH

OUTSIDE INGENICO GROUP IN 2019

Main position:

- Chief Executive Officer of Deutscher Sparkassen Verlag GmbH since 2018
- Manager of Otto Schmidt Beteiligungsgesellschaft GmbH since 2016

Other current positions and duties:

Member of the Executive Committee:

- German Savings Banks Association (DSGV), Berlin

Chairman of the Advisory Board:

- S-Markt & Mehrwert GmbH & Co. KG (Germany)
- Sparkassen-Finanzportal GmbH (Germany)

Member of the Supervisory Board:

- PLUSCARD GmbH (Germany)
- Bad Homburger Inkasso GmbH (Germany)

Board trustees:

- German Savings Bank Foundation for international collaboration

Positions held in the past five years

- Manager – Flick Gocke Schaumburg (2015-2016)
- Partner – Executive Interim Partners GmbH (2015-2017)
- Manager and Director of Digital Strategy – Burda International GmbH (2012-2015)

Élie VANNIER

Independent director
Member of the Strategic Committee
Member of the Audit and Finance Committee

First appointed: March 14, 2008

Date of last renewal: May 16, 2018

Date of expiry of term of office: Annual General Shareholders' Meeting called to approve the financial statements for 2020

Number of shares held as of December 31, 2019: 7,655

Experience and expertise

Élie Vannier was born on June 15, 1949. He is a Swiss citizen.

Élie Vannier's career is marked by a variety of experiences in industry, investment banking and the media. After many years in broadcasting, Élie Vannier was appointed Diversification Manager at the metalworking group Strafor Facom until 1991, when he was named Chief Executive Officer of the French subsidiary of Deutsche Morgan Grenfell. In 1997, he joined GrandVision, eventually being appointed group CEO. Former Chairman of the Board of Directors of Flamel Technologies, over the years he has held many directorships in France and abroad. He was also a professor at the Paris Institute of Political Studies (IEP), lecturing on strategy and international business development, and served as President of the French center for the study of corporate governance.

Élie Vannier is now Chairman of the Board of Directors of fine chemicals group Hovione Holding (Hong Kong) and a professor at Peking University (School of Transnational Law) in China.

Élie Vannier holds a Master's degree in Law and a postgraduate degree in Political Science from the Sorbonne (University of Paris I).

Other positions and duties

WITHIN INGENICO GROUP IN 2019

Member of the Supervisory Board and Chairman of the Audit Committee:
- Global Collect Services BV (Netherlands)

OUTSIDE INGENICO GROUP IN 2019

Main position:
- Chairman of the Board of Directors of Hovione Holding (Hong Kong)
- Visiting Professor, Peking University School of Transnational Law (China)

Other current positions and duties:

Director:
- Fondation Fondamental (Switzerland)
- New Cities Foundation (Switzerland and Canada)

Positions held in the past five years

Director:
- Groupe PP Holding SA (Switzerland) until March 2016
- Pharmacie Principale SA (Switzerland) until March 2016
- E-Front
- Gstaad Palace (Switzerland)

Member of the Supervisory Board and Chairman of the Audit Committee:
- GCS Holding BV (Netherlands) until October 2017

William NAHUM

Independent advisor

Member of the Compensation, Appointments and Governance Committee

Experience and expertise

A certified accountant, Statutory Auditor, legal expert to the Court of Appeal of Paris, certified by the French Supreme Court, William Nahum has led a parallel professional and institutional career during which he has held almost all the elective offices in his profession. After an internship in an international audit firm and then several years with French and American companies, he established a law office more than 30 years ago, building up a team of partners, along with selected collaborators.

For 12 years, he was President of the Order of Certified Accountants of Paris *(Ordre des experts-comptables de Paris)* and of the Company of Statutory Auditors of Paris *(Compagnie des commissaires aux comptes de Paris).* He was also National President of the Order of Certified Accountants *(Ordre des experts-comptables).*

He served for nine years on the Board of IFAC, where he acquired expertise in auditing and governance standards particularly relevant to litigation or professional liability cases. He has created and chaired two international institutions for the accountancy profession: CILEA for South America and Latin Europe, and FCM, covering 16 countries located around the Mediterranean.

He has also held positions as a volunteer with the Accounting Standards Authority *("Autorité des normes comptables"),* the Public Accounts Standards Committee *("Comité des normes de la comptabilité publique")* and as a legal expert with the Government Shareholding Agency *("Agence des participations de l'État")* and the Ministry of Defense.

In 2004, William Nahum founded the Academy of Accounting and Financial Sciences and Techniques, an organization chaired by him with more than 60,000 members in over 20 countries.

William Nahum is the national ombudsman for assigned funds to companies since 2009.

In 2013, William Nahum was elected National President of CIP (Information Center on the Prevention of Company Difficulties).

A government order of December 24, 2013 made him a member of the Accounting Standards Authority *(Autorité des normes comptables),* a position he held until 2016.

William Nahum is also a Director of the *Fondation Gaz de France.*

3.3 COMPENSATION AND BENEFITS

3.3.1 Compensation of directors and executive officers

Directors' and executive officers' compensation is determined by the Board of Directors on the recommendation of the Compensation, Appointments and Governance Committee, in accordance with the compensation policy approved by the Annual General Shareholders' Meeting. It is presented to and subject to approval by the Annual General Shareholders' Meeting, pursuant to Articles L. 225-37-2 and L. 225-100-II and III of the French Commercial Code.

In accordance with these articles, the Annual General Shareholders' Meeting of June 11, 2020 will be asked to approve:

- the compensation policy for directors and executive officers as set out in 3.3.1 below as the 10th, 11th and 12th resolutions (please refer to chapter 7 of this document for further details);
- the information referred to in paragraph I of Article L. 225-37-3 of the French Commercial Code as set out in 3.3.1 below as the 7th resolution (please refer to chapter 7 of this document for further details);
- the fixed, variable and non-recurring components comprising the total compensation and benefits of any kind paid or allocated for the 2019 year by separate resolutions for the Chairman of the Board of Directors and the Chief Executive Officer, as set out in sections 3.3.1.1.1 and 3.3.1.1.2 below as the 8 and 9th resolutions (please refer to chapter 7 of this document for further details)

3.3.1.1 Compensation paid during 2019 or allocated to directors and executive officers for 2019

3.3.1.1.1 Nicolas Huss, Chief Executive Officer

For the record, the compensation policy of Nicolas Huss for the 2019 fiscal year has been approved by the Annual General Shareholders' Meeting on June 11, 2019.

a. Compensation paid or allocated for 2019

- **Summary table of compensation paid to Nicolas Huss, Chief Executive Officer, since November 5, 2018**

	2019 *(gross amount in euros)*		**2018** *(gross amount in euros)*	
	Allocated during the year	**Paid during the year**	**Allocated during the year**	**Paid during the year**
Fixed compensation	650,000	650,000	103,409(3)	103,409(3)
Annual variable compensation	1,133,149(2)	None(1)(3)	None(1)(3)	-
Multi-year variable compensation	None	None	n/a	n/a
Exceptional compensation	None	None	n/a	n/a
Compensation for directorship	None	None	None	None
Benefits in kind: company car, insurance for loss of office, health and welfare	19,293	19,293	1,749	1,749
TOTAL(1)	**1,802,442**	**669,293**	**105,158**	**105,158**

(1) Nicolas Huss waived his right to variable compensation in his capacity as Chief Executive Officer for 2018.

(2) The payment of variable compensation for 2019 is conditional upon a favorable vote by the Annual General Shareholders' Meeting, in accordance with Article L. 225-100-III of the French Commercial Code.

(3) In 2018, Nicolas Huss received fixed compensation of €460,535 and variable compensation of €235,959 for 2018 (paid in 2019) pursuant to his employment contract (suspended since November 5, 2018).

ANNUAL FIXED COMPENSATION

The fixed compensation of Nicolas Huss for 2019 is €650,000 and is unchanged since his appointment as Chief Executive Officer on November 5, 2018. It is in line with the market practices and his experience.

ANNUAL VARIABLE COMPENSATION

Target annual variable compensation of Nicolas Huss for 2019: €950,000, (*i.e.* 150% of his fixed annual compensation) which may rise to a maximum of 200% of his fixed annual compensation, (€1,300,000), tied to performance.

Reminder of the criteria and structure of variable compensation for 2019:

Financial objectives	**Weight in variable compensation: 70% (*i.e.* a target amount of €682.500) capped at 150% of the target annual variable this quantitative objectives (*i.e.* 1,023,750)(1)**
Growth of consolidated revenue	This criterion varied from 0 to 15% if the target was attained and could be established at a maximum of the limit of the overall ceiling of 150% for the financial objectives
Consolidated EBITDA	This criterion varied from 0 to 40% if the target was attained and could be established at a maximum of the limit of the overall ceiling of 150% for the financial objectives
Free cash flow	This criterion varied from 0 to 15% if the target was attained and could be established at a maximum of the limit of the overall ceiling of 150% for the financial objectives
Qualitative objectives	**Weight in variable compensation: 30% (*i.e.* 2a target amount of €292,500)**
CSR strategic objectives	This criterion varied from 0 to 6% if the target was attained
Human resources policy in respect of human capital	This criterion varied from 0 to 6% if the target was attained
2021 strategic plan presented to the Capital Market Day of April 24, 2019	This criterion varied from 0 to 6% if the target was attained
Performances of B&A BU activities	This criterion varied from 0 to 6% if the target was attained
Performances of Retail BU activities	This criterion varied from 0 to 6% if the target was attained

(1) Thresholds up to 100% of the achievement are the following for each criterion : (i) 0% eligibility for payment if the achievement is under 100 % of the annual financial objective and (ii) 80 % eligibility for payment for 100 % of the achievement of the annual financial objective.

During the meeting on February 25, 2020, the Board of Directors, on the recommendation of Compensation, Appointments and Governance Committee and after validation by the Audit and Finance Committee about the financial elements, recognized the year performance and fixed the amount of the variable compensation of Nicolas Huss for 2019, as follows:

- **quantitative criteria:** as a reminder, the 2019 guidance published on February 19, 2019 was between 4% and 6% for the Organic growth, EBITDA above €550 million (before IRFS 16 impact) and c. 50% of FCF/EBITDA conversion. Therefore, the Board of Directors acknowledged that the following objectives were reached:
  - consolidated revenue growth: objective achieved at 184%,
  - consolidated EBITDA: objective achieved at 104%, and
  - free cash flow: objective achieved at 113%.

  Considering the relative weight of each criterion (15%, 40% and 15% of target variable compensation, respectively) and the achievements associated with each of them, the weighted rate of achievement for these targets is 123% of target variable compensation for a target weight of 70% representing 86% of the target variable compensation, *i.e.* €840,659;
- **qualitative criteria:** the percentage of achievement selected for each criterion are the following:
  - strategic objectives in CSR: 100%,
  - 2021 strategic plan presented to the Capital Market Day of April 24, 2019: 100%,
  - Human resources policy in respect of human capital: 100%,
  - Performances of B&A BU activities: 100%,
  - Performances of Retail BU activities: 100%.

With regard to CSR targets, the Board of Directors noted that the Company had developed a five years CSR program, named SHARE 2023, embedding a set of accurate and measurable objectives presented at the 2019 Annual General Shareholders' Meeting and which are integrated into the Chief Executive Officer and members of the Executive Committee remuneration. The CSR targets for 2019 are in line with the 2023 strategic plan (notably EcoVadis Gold level for the second year, 60% increase in donation volumes, increase in gender equality in line with targets 31.6% against 29.8% of women among the employees (35% target by 2023), end-of-life terminal collection solutions developed in 80% of the countries where the Group is present).

A new strategy for 2021 was presented during the Capital Market Day on April 24, 2019. Based on three precise and robust pillars (B&A transformation plan, acceleration of Retail growth, Fit for Growth global transformation plan) received a very positive reception from stakeholders, resulting in a 6.2% increase of the share price on the same day and a continued increase during the year reaching 95.4% in 2019.

To support this transformation, the management team has been renewed, to integrate new experienced profiles and recruitment of young talent (30 years and less) have been initiated.

2019 has been a key step change with the execution of this new strategic plan, and the Group are already seeing the benefits of a more agile, efficient and customer-centric organization.

The Group have revived B&A and restored its competitive edge, streamlined its product portfolio and developed new technology skills centres. The revenue of this Business Unit grew by 10% in 2019. In order to continue this well-established momentum, a new milestone has been announced for B&A, with the launch of the "Payments Platform as a Service" initiative, which repositions the point of acceptance of payments higher up the value chain, with a more recurring business model.

The Company continued to invest in Retail to accelerate its growth through several initiatives (new segments in acquiring business, acceleration of the «travel» segment). 2019 was a successful year for Retail with growth of 12%, an EBITDA higher than expected and technological change. This success is reinforced by the successful launch of the joint venture Payone, leader in the German market, and for which the Chief Executive Officer has been a key actor.

In light of these achievements, the Board of Directors considered that the objectives of the variable share were largely achieved. For the record, under the remuneration policy, the level of achievement for these qualitative criteria is limited to 100%, representing a maximum of 30% of the target variable remuneration, *i.e.* €292,500.

Consequently, Nicolas Huss's variable compensation for 2019 has been set at 116% of the target, *i.e.*, €1,133,149., which is below the cap of 200% of his fixed salary (*i.e.* €1,300,000). The payment of this variable compensation for the fiscal year 2019 is conditional upon the elements of compensation paid or allocated to Nicolas Huss for the previous fiscal year in respect of his role being approved by the Annual General Shareholders' Meeting of June 11, 2020.

LONG TERM REMUNERATION

- **Summary table of compensation allocated, and stock options and shares granted to Nicolas Huss, Chief Executive Officer since November 5, 2018**

	2019 *(gross amount in euros)*	2018 *(gross amount in euros)*
Compensation due for the year (detailed information in the table below)	1,802,442	105,158
Valuation of multi-year variable compensation awarded during the year	n/a	n/a
Valuation of options granted during the year	n/a	n/a
Valuation of free shares awarded	2,588,760	n/a
TOTAL	**4,391,202**	**105,158**(1)

(1) In addition, Nicolas Huss received fixed compensation of €460,535 and variable compensation of €235,959 for 2018 (paid in 2019) pursuant to his employment contract (suspended since November 5, 2018). 5,000 performance shares (plan 2018-1) were awarded to him in respect of his salaried duties during fiscal year 2018.

34,000 performance shares (valued as of December 31, 2019 at €2,588,760) have been allocated to Nicolas Huss under the plan 2019-1, which could increase to 36,380 shares if financial performance criteria are exceeded (110% of the target), as set out in the table below. Final award of these shares is conditional on the achievement of three performance targets that are evaluated at the end of the three-year vesting period:

- internal criteria tied to the Group's financial and operational performance (70% of the allocation): EBITDA and revenue growth in line with the 2021 strategic plan announced to the market. Vesting thresholds for shares are as follows:

		Target level achieved	% of shares allocated
EBITDA 2021 and	CAGR 2018-2021	< 100% 100% 105% 110%	0% 75% 100% 110%

- external criterion (30% of the allocation): Company share price performance compared to that of the Euro Stoxx Tech 600. Vesting thresholds for shares are as follows:

	Target level achieved	% of shares allocated
Ingenico's share price performance compared to that of the Euro Stoxx Tech 600 (100% achievement represents performance equal to that of the index)	< 100% 100% 105% 110%	0% 50% 75% 100%

OTHER ELEMENTS

In addition, in respect of his position as Chief Executive Officer, Nicolas Huss was provided with benefits in kind, consisting of a company car and voluntary insurance against loss of earnings, amounting to a total of € 19,293 in 2019, as well as a complementary health and life insurance plan. For information, it is specified that the directorship of Nicolas Huss did not entitle him to any compensation over and above the compensation he received in his capacity as Chief Executive Officer.

Finally, it should be noted that Nicolas Huss has received no additional compensation, nor has any compensation been allocated for his duties as a Board member (previously known as "attendance fees") from companies controlled by the Company.

b. Variable compensation paid in 2019 in respect of 2018

Compensation for 2018 was approved by the Annual General Shareholders' Meeting of June 11, 2019. It should be noted that Nicolas Huss waived his right to variable compensation in his capacity as Chief Executive Officer for 2018, which amounted to 50% of his target annual variable compensation, *i.e.*, €81,250.

c. Compensation paid during 2019 or allocated for 2019 to the Chief Executive Officer, subject to approval by the shareholders

In accordance with the provisions of Article L. 225-100-III of the French Commercial Code and applying the principles approved by the Annual General Shareholders' Meeting of June 11, 2019, the compensation paid during the year ended December 31, 2019 or allocated in respect of the year ended December 31, 2019 to Nicolas HUSS, Chief Executive Officer, is set out below, and will be subject to approval by the Company's Annual General Shareholders' Meeting of June 11, 2020 (9th resolution).

Compensation paid during the previous financial year or allocated for the previous financial year, subject to approval	Amounts or accounting estimates submitted to a vote	Description
Fixed compensation	€650,000	Nicolas Huss's fixed annual compensation was set at €650,000 under the compensation policy approved by the Annual General Shareholders' Meeting of June 11, 2019.
Annual variable compensation	For 2018: None	Nicolas Huss waived his right to variable compensation in his capacity as Chief Executive Officer for 2018. It is noted that Nicolas Huss received variable compensation of €235,959 for 2018 (paid in 2019), pursuant to his employment contract (suspended since November 5, 2018).
	For 2019: €1,133,149	As recommended by the Compensation, Appointments and Governance Committee and after obtaining validation of the financial components from the Audit and Financing Committee, the Board of Directors set the amount of variable compensation payable to Nicolas Huss for the fiscal year 2019 at its meeting of February 25, 2020, as follows: ● Quantitative criteria: growth in consolidated revenue (184% of target), consolidated EBITDA (104% of target), and free cash flow (113% of target). Given the relative weight of each criterion (respectively 15%, 40% and 15% of the target variable remuneration). This results in an overall achievement of 123% on a weighted target of 70% representing 86% of the target variable compensation, *i.e.* €840,649; ● Qualitative criteria: the achievement rate of the each criteria are the following ones: (i) the strategic objectives in terms of social and environmental responsibility (100%); (ii) the human resources policy in respect of human capital (100%); (iii) the 2021 strategic plan presented to the Capital Market Day of April 24, 2019 (100%) and (iv) performance of the activities of the B&A (100%) and Retail (100%) BUs. This results in an overall achievement of 100% for these qualitative criteria representing 30% of the total target variable compensation, *i.e.* €292,500. Consequently, Nicolas Huss's variable compensation for 2019 was 116% of the target, *i.e.*, €1,133,149., which is below the cap of 200% of his fixed salary (*i.e.* €1,300,000). The payment of this variable compensation for the fiscal year 2019 is conditional upon the elements of compensation paid or allocated to Nicolas Huss for the previous fiscal year in respect of his role being approved by the Annual General Shareholders' Meeting of June 11, 2020.
Multi-year variable compensation (in cash)	None	Nicolas Huss has not been paid any multi-year variable compensation.
Exceptional compensation	None	Nicolas Huss has not been paid any exceptional compensation.

<table>
<tr><th>Compensation paid during the previous financial year or allocated for the previous financial year, subject to approval</th><th>Amounts or accounting estimates submitted to a vote</th><th>Description</th></tr>
<tr><td>Stock options, performance shares and any other long-term forms of compensation</td><td>€2,588,760 (book value)</td><td>34,000 performance shares (valued as of December 31, 2019 at €2,588,760) under the plan 2019-1, which could increase to 36,380 shares if financial performance criteria are exceeded (110% of the target), as set out in the table below. Final award of these shares is conditional on the achievement of three performance targets that are evaluated at the end of the three-year vesting period:
● internal criteria tied to the Group's financial and operational performance (70% of the allocation): EBITDA and revenue growth in line with the 2021 strategic plan announced to the market. Vesting thresholds for shares are as follows:
<table>
<tr><th></th><th>Target level achieved</th><th>% of shares allocated</th></tr>
<tr><td>EBITDA 2021 and CAGR 2018-2021</td><td>< 100%
100%
105%
110%</td><td>0%
75%
100%
110%</td></tr>
</table>
● external criterion (30% of the allocation): Company share price performance compared to that of the Euro Stoxx Tech 600. Vesting thresholds for shares are as follows:
<table>
<tr><th></th><th>Target level achieved</th><th>% of shares allocated</th></tr>
<tr><td>Ingenico's share price performance compared to that of the Euro Stoxx Tech 600 (100% achievement represents performance equal to that of the index)</td><td>< 100%
100%
105%
110%</td><td>0%
50%
75%
100%</td></tr>
</table>
</td></tr>
<tr><td>Compensation for directorship</td><td>None</td><td>Nicolas Huss was not paid any compensation for his directorship.</td></tr>
<tr><td>Value of all benefits in kind</td><td>€19,293</td><td>Nicolas Huss was provided with a company car, insurance for loss of corporate office and a complementary health and welfare plan.</td></tr>
<tr><td>Termination benefits</td><td>None</td><td>● Severance package payable for forced termination, which was approved by the Board of Directors on February 25, 2019 and the Combined Ordinary and Extraordinary Shareholders' Meeting of June 11, 2019.
The benefit for forced termination will be payable:
(i) in the event of forced termination associated with a change of control, the change of control being taken to refer to the date of approval by the Annual General Shareholders' Meeting of any transfer, merger, demerger or any similar operation affecting Ingenico Group or the date upon which control of Ingenico Group is acquired, within the meaning of Article L. 233-3 of the French Commercial Code (including subsequent to a public offer or exchange offer, as the case may be);
(ii) in the event of forced termination associated with a change of strategy for any reason other than gross or serious misconduct.
● It should be noted that the Chief Executive Officer waived the right to severance pay for forced termination under any other circumstances.
● No compensation will be payable to the Chief Executive Officer in the event of voluntary departure, change of duties, executive remit or salary, within the Group, or if Mr. Nicolas Huss has the opportunity to assert his pension rights.</td></tr>
</table>

Compensation paid during the previous financial year or allocated for the previous financial year, subject to approval	Amounts or accounting estimates submitted to a vote	Description

Termination benefits	None	The amount of the termination benefit paid to the Chief Executive Officer (I), will be calculated as follows: I = Basis x Coefficient, where:
		The "Basis" is equal:
		• prior to the Annual General Shareholders' Meeting in 2020:
		  ◦ in the event of forced termination associated with a change of control, to 18 months of the target compensation, fixed plus annual variable, *i.e.*, €2,437,500,
		  ◦ in the event of forced termination associated with a change of strategy, to 9 months of the target compensation, fixed plus annual variable, *i.e.*, €1,218,750,
		  ◦ in the event of forced termination under other circumstances, including gross or serious misconduct, no compensation will be payable;
		• after the Annual General Shareholders' Meeting in 2020:
		  ◦ in the event of forced termination associated with a change of control, to 18 months of Reference Compensation,
		  ◦ in the event of forced termination associated with a change of strategy, to 12 months of Reference Compensation,
		  ◦ in the event of forced termination under other circumstances, including gross or serious misconduct, no compensation will be payable.
		"Reference Compensation" is the average target monthly compensation, fixed plus variable, paid to the Chief Executive Officer for his duties as Chief Executive Officer for the last two full financial years ended prior to the date when his employment is terminated.
		The "Coefficient", which will be set by the Board of Directors, is equal:
		  ◦ prior to the Annual General Shareholders' Meeting in 2020, to the level to which the targets set for the most recent variable compensation for the Chief Executive Officer have been achieved;
		  ◦ after the Annual General Shareholders' Meeting in 2020, to the average level to which the targets set for the variable compensation of the Chief Executive Officer for the last two full financial years ended prior to the date when his employment is terminated have been achieved.
		The termination benefits will be reduced by the amount of compensation payable for termination of the employment contract if the Chief Executive Officer departs before resigning from their salaried duties.
		Treatment of vesting performance shares
		In the event of the departure of the Chief Executive Officer, any performance shares that are vesting at the date of departure will be treated as follows, in accordance with the rules of the free performance share allocation plans in question:
		• In the event of death, retirement or incapacity, the Chief Executive Officer (or their beneficiaries) will retain entitlement to any shares that are vesting, in accordance with the procedures stipulated by the rules of the free performance share allocation plans in question.
		• In the event of forced termination associated with a change of control, the Chief Executive Officer will retain entitlement to all shares that are vesting, and the service condition will no longer apply in this event, it being specified that the Chief Executive Officer has waived non-application of the performance condition.
		• In the event of departure under any other circumstances, the Chief Executive Officer will retain entitlement to any shares that are vesting (i) prorated to his length of service, and (ii) subject to the level to which the performance conditions set out in the rules of the free performance share allocation plans in question have been achieved.

Benefits in connection with a non-competition clause	None	• No payments have been made to Nicolas Huss in connection with a non-competition clause.
Supplementary retirement plan	None	• Nicolas Huss does not have a supplementary pension plan.

3.3.1.1.2 Bernard Bourigeaud, Chairman of the Board of Directors

a. Compensation paid or allocated for 2019

In accordance with the policy for compensating the Chairman of the Board of Directors approved by the Annual General Shareholders' Meeting of June 11, 2019, and at the recommendation of the Compensation, Appointments and Governance Committee, the Board of Directors decided:

- to award Bernard Bourigeaud, under conditions of ordinary law, a number of Ingenico Group shares that, based on the average closing price of the last 20 trading sessions prior to June 11, 2019 (*i.e.*, €72.98 per Ingenico share), corresponds to the net amount of his fixed annual compensation prorated for 2018 (€25,000) and his fixed annual compensation for 2019 (€180,000), *i.e.*, 1,954 shares;
- €66,667 gross were paid as compensation for his directorship in 2019 and €83,270 in 2020 for 2019.

- **Summary table of compensation allocated to Bernard Bourigeaud, Chairman of the Board of Directors, since November 5, 2018**

	2019 *(gross amount in euros)*		2018 *(gross amount in euros)*	
	Allocated during the year	Paid during the year	Allocated during the year	Paid during the year
Fixed compensation paid in shares(1)	180,000	205,000(1)	25,000	None
Annual variable compensation	None	None	n/a	n/a
Multi-year variable compensation	None	None	n/a	n/a
Exceptional compensation	None	None	n/a	n/a
Compensation for directorship(2)	83,970	66,667	66,667	59,459
Benefits in kind	n/a	n/a	n/a	n/a
TOTAL(1)	**263,970**	**271,667**	**91,667**	**59,459**

(1) *Compensation payable for 2018 and 2019 was paid in 2019 in the form of a share award, having been approved by the Annual General Shareholders' Meeting of June 11, 2019. In accordance with the policy for compensating the Chairman of the Board of Directors approved by the Annual General Shareholders' Meeting of June 11, 2019, and at the recommendation of the Compensation, Appointments and Governance Committee, the Board of Directors decided to award Bernard Bourigeaud, under conditions of ordinary law, a number of Ingenico Group shares that, based on the average closing price of the last 20 trading sessions prior to June 11, 2019 (i.e., €72.98 per share), corresponds to the net amount of his fixed annual compensation prorated for 2018 and his fixed annual compensation for 2019, i.e., 1,954 shares.*

(2) *Compensation allocated in respect of his position as independent director, held since April 29, 2016.*

b. Variable compensation paid in 2019 for 2018

None.

- **Summary table of compensation allocated and stock options and shares granted to Bernard Bourigeaud, Chairman of the Board of Directors, since November 5, 2018**

	2019 *(gross amount in euros)*	2018 *(gross amount in euros)*
Compensation awarded for the year (see detailed information in the table below) includes:	263,970	91,667
• compensation in respect of his role as a director, paid in cash	83,970	66,667
• compensation in respect of his role as Chairman of the Board of Directors, paid in shares(2)	180,000	25,000(1)
Valuation of multi-year variable compensation awarded during the year	n/a	n/a
Valuation of options granted during the year	n/a	n/a
Valuation of free shares awarded	n/a	n/a
TOTAL	**263,970**	**91,667**

(1) *Compensation payable in respect of his role as Chairman of the Board of Directors from November 5, 2018 to December 31, 2018, paid in 2019.*

(2) *In accordance with the policy for compensating the Chairman of the Board of Directors approved by the Annual General Shareholders' Meeting of June 11, 2019, and at the recommendation of the Compensation, Appointments and Governance Committee, the Board of Directors decided to award Bernard Bourigeaud, under conditions of ordinary law, a number of Ingenico Group shares that, based on the average closing price of the last 20 trading sessions prior to June 11, 2019 (i.e., €72.98 per share), corresponds to the net amount of his fixed annual compensation prorated for 2018 and his fixed annual compensation for 2019, i.e., 1,954 shares.*

c. Compensation paid during the financial year ended December 31, 2019 or allocated for the financial year ended December 31, 2019 to the Chairman of the Board of Directors, subject to approval by the shareholders

In accordance with the provisions of Article L. 225-100-III of the French Commercial Code and applying the principles approved by the Annual General Shareholders' Meeting of June 11, 2019 in respect of the Chairman of the Board of Directors, the compensation paid during the financial year ended December 31, 2019 or allocated in respect of the financial year ended December 31, 2019 to Bernard BOURIGEAUD, Chairman of the Board of Directors, is set out below, and will be subject to approval by the Company's Annual General Shareholders' Meeting of June 11, 2020 (8th resolution).

Compensation paid during the previous financial year or allocated for the previous financial year, subject to approval	Amounts or accounting estimates submitted to a vote	Description
Fixed compensation paid in the form of shares for his role as Chairman of the Board of Directors	Allocated for 2018 (from November 5, 2018 to December 31, 2018) and paid in 2019: €25,000 Allocated and paid in 2019: €180,000	Bernard Bourigeaud's fixed annual compensation was set at €180,000 paid in shares in accordance with the compensation policy approved by the Annual General Shareholders' Meeting of June 11, 2019. The number of shares is determined based on the average closing price of the last 20 trading sessions prior to June 11, 2019. The Board of Directors considers that this method of compensation, to the exclusion of any other, would bring the interests of the Chairman of the Board of Directors into line with those of the Company and its shareholders.
Annual variable compensation	None	Bernard Bourigeaud has not been paid any variable compensation.
Multi-year variable compensation (in cash)	None	Bernard Bourigeaud has not been paid any multi-year variable compensation.
Exceptional compensation	None	Bernard Bourigeaud has not been paid any exceptional compensation.
Stock options, performance shares and any other long-term forms of compensation	None	Bernard Bourigeaud was not granted any options or performance shares in 2018 in his capacity as Chairman of the Board of Directors.
Compensation for directorship	Allocated in 2019, paid in 2020: €83,970 Paid in 2019, allocated in 2018: €66,667	Compensation allocated in respect of his position as director.
Value of all benefits in kind	None	Bernard Bourigeaud has not received any benefits in kind.
Termination benefits	None	Bernard Bourigeaud has not been paid any termination benefits.
Benefits in connection with a non-competition clause	None	No payments have been made to Bernard Bourigeaud in connection with a non-competition clause.
Supplementary retirement plan	None	Bernard Bourigeaud does not have a supplementary pension plan.

3.3.1.1.3 Summary of employment contract/pension plan and other benefits in 2019

Directors and executive officers	Employment contract	Supplementary retirement plan	Indemnities or benefits due or likely to be due on termination or change of function	Benefits in connection with a non-compete clause
Nicolas HUSS, Chief Executive Officer	Yes (Suspended)(1)	No	No(2)	No(3)
Bernard BOURIGEAUD, Chairman of the Board of Directors	No	No	No	No

(1) *Nicolas Huss's employment contract was suspended on November 5, 2018, the date of his appointment as Chief Executive Officer. This situation will be reviewed at the close of the Annual General Shareholders' Meeting to be held in 2020, Nicolas Huss undertook to resign from his employment contract provided that this meeting approves the resolutions relating to his remuneration.*

(2) *An agreement regarding the benefits payable in the event of forced termination was approved by the Board of Directors on February 25, 2019 and by the Annual General Shareholders' Meeting of June 11, 2019. The details of this agreement are set out in section 3.3.1.2 below.*

(3) *It should be noted that the suspended employment contract includes a provision for benefits payable under a non-competition clause, which can be waived by the Company. The amount of compensation payable would be the equivalent of six months' salary payable under the contract.*

3.3.1.1.4 Long-term incentive

- **Information on performance shares awarded to directors and executive officers**

	Plan ref. No. and date	Number of shares granted during the year	Theoretical value of shares according to the method used for the consolidated financial statements (in euros)	Date granted	Date of availability	Performance conditions
Nicolas HUSS, Chief Executive Officer(1)	2019-1 dated June 11, 2019	34,000(2)	€2,558,760	June 11, 2022	June 11, 2022	See above
Bernard BOURIGEAUD, Chairman of the Board of Directors	None	None	None	None	None	None
TOTAL		**34,000(2)**	**€2,558,760**			

(1) *Nicolas Huss was awarded 5,000 performance shares (plan 2018-1) in respect of the salaried duties he performed up to November 5, 2018.*

(2) *The number of shares awarded could increase to 36,380 shares if financial performance criteria are exceeded (110%), as set out in the table above.*

At its meeting on June 11, 2019, the Board of Directors used the authorization granted by the Extraordinary Shareholders' Meeting of April 29, 2016 and, on the recommendation of the Compensation, Appointments and Governance Committee, set up the following performance share award plan (2019-1).

The vesting period is three years and final allocation is conditional upon the achievement of three performance targets (revenue growth, EBITDA and change in the Company's share price compared to that of the Euro Stoxx Tech 600).

The number of performance shares finally granted at the end of the vesting period (three years) will therefore be calculated based on the level of achievement of these targets detailed below:

- internal criteria tied to the Group's financial and operational performance (70% of the allocation): EBITDA and revenue growth in line with the 2021 plan announced to the market. Vesting thresholds for shares are as follows:

	Target level achieved	% of shares allocated
EBITDA 2021 and CAGR 2018-2021	< 100%	0%
	100%	75%
	105%	100%
	110%	110%

- external criterion (30% of the allocation): Company share price performance compared to that of the Euro Stoxx Tech 600. Vesting thresholds for shares are as follows:

	Target level achieved	% of shares allocated
Ingenico's share price performance compared to that of the Euro Stoxx Tech 600 (100% achievement represents performance equal to that of the index)	< 100%	0%
	100%	50%
	105%	75%
	110%	100%

Performance shares finally granted or available in 2019

	Plan ref. No. and date	Number of shares available	Plan ref. No. and date	Number of shares fully vested	Final grant conditions
Nicolas HUSS	None	None	None	None	None
Bernard BOURIGEAUD	None	None	None	None	None

Mandatory holding period

Pursuant to Article L. 225-197-1-II, paragraph 4, of the French Commercial Code, in relation to free performance shares awarded to the directors and executive officers, the Board of Directors must either prohibit the disposal of said shares until the end of their term of office, or specify the number of these shares that must be retained in registered form in their name until the end of their term of office.

For each performance share award to Nicolas Huss, the Board of Directors has resolved, pursuant to the aforementioned provision, that while in post he shall be required to hold and maintain in registered form no less than 40% of the total number of shares that have been fully vested and for which the final grant date has been reached. Moreover, any share disposals must be carried out in compliance with the applicable stock market regulations and the procedures followed by the Company.

Bernard Bourigeaud will retain all of the shares awarded under any share award plans to which he may be entitled as of the date of his appointment as Chairman of the Board of Directors until his duties are terminated.

Furthermore, as recommended by the AFEP-MEDEF Code, the executive corporate officers have undertaken not to use hedging instruments on the performance shares that have been or will be awarded to them by the Company in connection with their duties, for as long as they remain directors and executive officers of the Company.

3.3.1.1.5 Other directors and executive officers

In accordance with the compensation policy for 2019 and unchanged, which is set out in chapter 3.3.1.2 below, the total compensation awarded by the Company to directors and the compensation of the independent advisor amounted to €750,000 for 2019, paid out as follows (in euros):

Non-executive directors	Gross amounts allocated in 2019 and paid in 2020	Gross amounts allocated in 2018 and paid in 2019
Bernard BOURIGEAUD Director	€83,970	€66,667
Agnès AUDIER Independent director since June 11, 2019	€37,815	-
Jean-Louis CONSTANZA Independent director until May 16, 2018	-	€18,954
Diaa ELYAACOUBI Independent director	€72,388	€64,052
Colette LEWINER Independent director until May 16, 2018	-	€18,964
Arnaud LUCIEN(1) Director representing employees	€50,672	€12,092
Xavier MORENO Independent director	€94,105	€86,275
William NAHUM Independent advisor	€20,269	€18,301
Caroline PAROT Independent director	€102,791	€92,810
Nazan SOMER ÖZELGIN Independent director since June 11, 2019	€39,263	-
Thierry SOMMELET(2) Independent director	€75,284	€39,869
Sophie STABILE Independent director	€75,284	€49,673
Michael STOLLARZ Director since June 11, 2019	€22,875	-
Élie VANNIER(3) Independent director	€75,284	€82,363
TOTAL	**€750,000**	**€550,000**

(1) Arnaud Lucien also receives compensation in his capacity as an employee of Ingenico Terminals.

(2) The Company has been informed by Bpifrance Participations that, as an employee of Bpifrance Investissement, Thierry Sommelet is not permitted to receive compensation for his role as independent director. Consequently, he has not been paid this compensation.

(3) Élie Vannier also received gross compensation amounting to €55,000 for 2019 and €55,000 for 2018 for his duties as a member of the Supervisory Board and Chairman of the Audit Committee of Global Collect Services BV, a subsidiary of the Group.

Except for the directors and executive officers for whom information is provided above, no other member of the Board of Directors received any additional compensation or other benefits in kind from the Company during 2019 other than as described above.

No compensation, other than the compensation mentioned above, was paid to directors and executive officers of the Company by other Group companies during 2019.

3.3.1.1.6 Pensions, post-employment and other benefits paid to directors and executive officers

None.

3.3.1.2 Compensation policy for directors and executive officers (10th, 11th and 12th resolutions proposed to the Annual General Shareholders' Meeting of June 11, 2020)

In accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, at the Combined Ordinary and Extraordinary Shareholders' Meeting of June 11, 2020 the Company's shareholders will be asked to approve the resolutions submitted to them regarding the Company's compensation policy for directors and executive officers (ex-ante say on pay).

When making recommendations to the Board of Directors, the Compensation, Appointments and Governance Committee aims to propose a compensation policy that is in accordance with the practices of comparable major international groups in the SBF 120 in respect of similar positions and to ensure the interests of shareholders are aligned with those of the Company's executive officers.

The compensation policy approved by the Board of Directors at its meeting of February 25, 2020, on the recommendation of the Compensation, Appointments and Governance Committee, is expected to be as follows:

Due to the exceptional circumstances surrounding Covid-19, the Board of Directors' meeting of April 22, 2020 has, upon the recommendation of the Compensation, Appointments and Governance Committee, undertaken to assess the policy's relevance.

In view of the lack of perspective and many uncertainties in this context, upon the recommendation of the Compensation, Appointments and Governance Committee, the Board of Directors has decided to maintain the current variable compensation structure as for now. Nevertheless, within the specific, ever-changing context of the Covid-19 epidemic and the many factors outside of the management's control, all of which is having a significant impact on one or more performance criteria, the Board wishes to keep the ability to determine or adjust the criteria and objectives of the Chief Executive Officer's variable compensation.

This would enable the Board of Directors to ensure that the compensation policy is in line with the Chief Executive Officer's performance and the Company's objectives. Any adjustments must be disclosed to the shareholders and duly justified, in particular with respect to how they align with the interests of shareholders. They will remain subject to the binding ex-post shareholders' vote at the next Annual General Shareholders' Meeting.

For the Chief Executive Officer

It is specified that the components (fixed, variable and performance shares) comprising the Chief Executive Officer's total annual compensation have been determined taking into account his profile, experience and expertise, as well as a comparison with a panel of French and international companies operating in the payment sector. Furthermore, the compensation structure in terms of the balance of its components complies with the recommendations of the AFEP-MEDEF Code.

The compensation paid to the Chief Executive Officer remains unchanged in relation to the previous policy adopted by the Annual General Shareholders' Meeting of June 11, 2019, and consists of the following components:

In the context of the Covid-19 crisis and in solidarity with employees, at the initiative of Nicolas Huss and by decision of the Board of Directors' meeting of April 7, 2020, the Chief Executive Officer's annual fixed and variable compensation shall be reduced by 25% during the furlough period implemented by the Company.

(i) **fixed annual compensation** of €650,000 payable in 12 equal monthly installments during the year. In the context of the Covid-19 crisis, the Chief Executive Officer has decided to waive 25% of his annual fixed and variable compensation during the period of partial unemployment implemented by the Company,

(ii) **target annual variable compensation** of 150% of his fixed annual compensation, *i.e.*, €975,000, rising to 200% of his fixed annual compensation, *i.e.*, €1,300,000, tied to performance.

Variable compensation is based on the achievement of the following quantitative and qualitative targets:

- quantitative targets for 70% (€682,500) of the target annual variable compensation(1):
  - 40% tied to consolidated EBITDA,
  - 15% tied to consolidated revenue growth,
  - 15% tied to free cash flow (excluding acquisitions, divestitures, and special dividends).

  The target annual variable compensation for these quantitative targets is capped at 150% (€1,023,750),
- qualitative targets for 30% (*i.e.*, €292,500), based on specific predefined criteria in accordance with the medium-term strategic plan presented on April 24, 2019, which includes one or more CSR criteria. For confidentiality reasons, they cannot be disclosed for this year. However, at the end of the performance appraisal period, the Group discloses these targets and their level of achievement. The target variable compensation for these qualitative targets is capped at 100% (€292,500).

It should be noted that, in accordance with paragraph 2 of Article L. 225-37-2 of the French Commercial Code, the payment of components of the variable compensation described above will require ratification by an Ordinary Annual General Shareholders' Meeting, in accordance with Article L. 225-100 III of the French Commercial Code.

(iii) **long-term compensation** *via* the annual award of performance shares: 30,000 shares per year for fiscal years 2020 and 2021 as approved by the Annual General Shareholders' Meeting on June 11, 2019.The details of the allocation considered in 2020 would be identical to the details of the 2019 allocation. These details are described at the section 3.3.3.1.

(iv) **a severance package payable for forced termination,** which was approved by the Board of Directors on February 25, 2019 and by the Combined Ordinary and Extraordinary Shareholders' Meeting of June 11, 2019.

The benefit for forced termination will be payable:

(i) in the event of forced termination associated with a change of control, the change of control being taken to refer to the date of approval by the Annual General Shareholders' Meeting of any transfer, merger, demerger or any similar operation affecting Ingenico Group or the date upon which control of Ingenico Group is acquired, within the meaning of Article L. 233-3 of the French Commercial Code (including subsequent to a public offer or exchange offer, as the case may be);

(ii) in the event of forced termination associated with a change of strategy for any reason other than gross or serious misconduct.

It should be noted that the Chief Executive Officer waived the right to severance pay for forced termination under any other circumstances.

No compensation will be payable to the Chief Executive Officer in the event of voluntary departure, change of duties, executive remit or salary, within the Group, or if Mr. Nicolas Huss has the opportunity to assert his pension rights;

The amount of the termination benefit paid to the Chief Executive Officer (I), will be calculated as follows: I = Basis x Coefficient, where:

- The "Basis" is equal:
  - prior to the Annual General Shareholders' Meeting in 2020:
    - in the event of forced termination associated with a change of control, to 18 months of the target compensation, fixed plus annual variable, *i.e.*, €2,437,500,

(1) Thresholds up to 100% of the achievement are the following for each criterion : (i) 0% eligibility for payment if the achievement is under 100 % of the annual financial objective and (ii) 80 % eligibility for payment for 100 % of the achievement of the annual financial objective. This annual objective could be revised, as indicated in the introduction of the compensation policy (3.3.1.2).

- in the event of forced termination associated with a change of strategy, to 9 months of the target compensation, fixed plus annual variable, *i.e.*, €1,218,750,
- in the event of forced termination under other circumstances, including gross or serious misconduct, no compensation will be payable,

— after the Annual General Shareholders' Meeting in 2020:
- in the event of forced termination associated with a change of control, to 18 months of Reference Compensation,
- in the event of forced termination associated with a change of strategy, to 12 months of Reference Compensation,
- in the event of forced termination under other circumstances, including gross or serious misconduct, no compensation will be payable.

- "Reference Compensation" is the average target monthly compensation, fixed plus variable, paid to the Chief Executive Officer for his duties as Chief Executive Officer for the last two full financial years ended prior to the date when his employment is terminated;
- The "Coefficient", which will be set by the Board of Directors, is equal:

— prior to the Annual General Shareholders' Meeting in 2020, to the level to which the targets set for the most recent variable compensation for the Chief Executive Officer have been achieved;

— after the Annual General Shareholders' Meeting in 2020, to the average level to which the targets set for the variable compensation of the Chief Executive Officer for the last two full financial years ended prior to the date when his employment is terminated have been achieved;

The termination benefits will be reduced by the amount of compensation payable for termination of the employment contract if the Chief Executive Officer departs before resigning from their salaried duties;

Treatment of vesting performance shares

In the event of the departure of the Chief Executive Officer, any performance shares that are vesting at the date of departure will be treated as follows, in accordance with the rules of the free performance share allocation plans in question:

— In the event of death, retirement or incapacity, the Chief Executive Officer (or their beneficiaries) will retain entitlement to any shares that are vesting, in accordance with the procedures stipulated by the rules of the free performance share allocation plans in question.

— In the event of forced termination associated with a change of control, the Chief Executive Officer will retain entitlement to all shares that are vesting, and the service condition will no longer apply in this event, it being specified that the Chief Executive Officer has waived non-application of the performance condition.

In the event of departure under any other circumstances, the Chief Executive Officer will retain entitlement to any shares that are vesting (i) prorated to his length of service, and (ii) subject to the level to which the performance conditions set out in the rules of the free performance share allocation plans in question have been achieved;

(v) **benefits in kind:** the Chief Executive Officer is entitled to benefits in kind, including a company car and insurance for loss of corporate office, as well as the complementary health and welfare plans (incapacity/death) provided by the Company.

Finally, the directorship of the Chief Executive Officer will not entitle him to any compensation over and above that which he receives in his capacity as Chief Executive Officer, and the Chief Executive Officer will receive no additional compensation or attendance fees from companies controlled by the Company.

Nicolas Huss' open-ended employment contract has been suspended since the date of his appointment as Chief Executive Officer, *i.e.*, November 5, 2018.

Nicolas Huss undertook to resign from his employment contract at the end of the Annual General Shareholders' Meeting called to approve the annual financial statements for 2019, provided that this meeting approves all components of his compensation as Chief Executive Officer.

It is also reiterated that, pursuant to Article L. 225-100 III of the French Commercial Code, payment of the variable and exceptional compensation of directors and executive officers is conditional upon the compensation of the person concerned being approved by an Ordinary Annual General Shareholders' Meeting, under the conditions set out in that article.

For the Chairman of the Board of Directors

The compensation structure for the Chairman of the Board would be unchanged from the previous policy adopted by the Annual General Shareholders' Meeting on June 11, 2019.

In his capacity as Chairman of the Board of Directors, the Chairman of the Board of Directors will receive annual fixed compensation of €180,000 gross, payable in shares during the fiscal year. In the context of the Covid-19 crisis, in solidarity with employees, at the initiative of Bernard Bourigeaud and by decision of the Board of Directors' meeting of April 7, 2020, the Chairman of the Board of Directors' annual fixed remuneration shall be reduced by 25% during the furlough period implemented by the Company.

In addition, the Board of Directors' decision of April 22, 2020 to reduce the compensation of Directors by 25%, as proposed by the Directors themselves, also applies to Bernard Bourigeaud with respect to his compensation as a Director, which is separate from the compensation he receives in respect of his role as Chairman of the Board of Directors.

The Board of Directors considers that the payment of the Chairman's compensation with free shares promotes the alignment of the Chairman's interests with those of the Company and shareholders. In addition, the Chairman of the Board of Directors should retain all the shares definitely acquired until the end of the term of office.

The Chairman of the Board of Directors would be eligible to be paid compensation allocated to directors (previously known as "attendance fees") in respect of his participation in meetings of the Board of Directors and of the committees of which he is a member, *i.e.*, currently the Strategic Committee and the Compensation, Appointments and Governance Committee, under the same conditions as apply to the directors of the Company.

In application of Article L. 225-100-II of the French Commercial Code, the amounts resulting from the application of the principles and criteria set out above, which comprise the compensation policy for directors and executive officers for the current year closing on December 31, 2020, will be subject to the approval of shareholders at the Combined Ordinary and Extraordinary Shareholders' Meeting to be held in 2021.

With regard to non-executive directors

The Combined Ordinary and Extraordinary Shareholders' Meeting of June 11, 2019 increased the maximum annual budget for compensation of the Board of Directors from €550,000 to €750,000. This decision, applicable to the 2019 financial year, will be maintained until decided otherwise.

The compensation structure for the non-executive directors presented below has not changed from the previous policy enforced by the Board of Directors for several years.

In the context of the Covid-19 crisis, in solidarity with employees, at the initiative of the Directors and by decision of the Board of Directors' meeting of April 22, 2020, the compensation of the members of the Board of Directors shall be reduced by 25% for 2020.

The annual total of attendance fees approved by the Annual General Shareholders' Meeting is individually allocated using a points-based formula designed to promote the independence of directors, the chairmanship of the special focus committees and members' attendance at meetings of the Board and the special focus committees. In meetings of the Board of Directors, points are awarded on a fixed basis (20 points for each independent director and 5 points for each non-independent director or advisor) and on a variable basis (2 additional points per attendance). With respect to special committees, a number of points is awarded to the Chair of each committee (an annual maximum of 25 points for the Chair of the Audit Committee and 20 points for the Chair of the two other special committees) having attended the meeting and chaired it. The Chairs of committees do not receive additional points for attendance at their special committees, because if they are absent the corresponding points are awarded to the member who chaired the committee meeting. The members of special committees, excluding the Chair, are awarded one point per attendance at their committee meeting.

In accordance with the recommendations of the AFEP-MEDEF Code, the variable component of directors' compensation takes priority.

Pursuant to Article L. 225-100 II of the French Commercial Code, the amounts produced as a result of applying the compensation policy set out above, which comprise the compensation policy for directors and executive officers for 2020, will be subject to the approval of shareholders at the Annual General Shareholders' Meeting to be held in 2021.

3.3.1.3 Equity ratios and annual evolutions of compensation, ratios, and performance over 5 years (article L.225-37-3 of the French Commercial Code)

The determination of the elements taken into account for the compensations below were determined by reference to the guidelines published by the AFEP in January 2020.

The elements of compensation (gross amounts) taken into account for the financial years listed below for executive corporate officers and employees include: the fixed portion, the annual variable portion paid or allocated for the financial year, exceptional compensation, compensation related to a directorial role, performance shares[1] paid or allocated during the financial year, and benefits in kind.

The scope of employees included when calculating the average and median compensation corresponds to the employees of French companies.

All employees who have entered into a permanent or fixed-term employment contract with one of the Group's French companies, and who have been a constant part of the workforce of these companies between January 1 and December 31 of the current year, have been taken into consideration for the purposes of calculating the ratios.

- **Compensation ratios**

	Average	Median	Evolution of the average ratio	Evolution of the median ratio
Fiscal year 2019				
Chairman of the Board of Directors	2.98	4.07	+10%	+22%
Chief Executive Officer	36.72	50.29	+26%	+39%
Fiscal year 2018 (1)				
Chairman and Chief Executive Officer up to November 5, 2018 – Annualized amounts	36.41	45.09	-28%	-24%
Chairman of the Board of Directors from November 5, 2018 to December 31, 2018 – Annualized amounts	2.71	3.35	na	na
Chief Executive Officer from November 5, 2018 to December 31, 2018 – Annualized amounts	29.20	36.17	na	na
Fiscal year 2017				
Chairman and Chief Executive Officer	50.37	59.18	-10%	-4%
Fiscal year 2016				
Chairman and Chief Executive Officer	55.96	61.69	+31%	+18%
Fiscal year 2015				
Chairman and Chief Executive Officer	42.83	52.38	-	-

(1) Due to the departure of the Chairman and Chief Executive Officer and of the separation of functions since November 5, 2018, the compensations have been annualized for the Chairman and Chief Executive Officer, the Chief Executive Officer and the Chairman.

(1) It is specified that these performance shares are recognized at the IFRS value at the date of award and that, at the time of their allocation, this valuation is not necessarily representative of their value at the time of payment, in particular if the performance conditions have not been fulfilled.

Annual evolutions of compensations and performances

	2016	2017	2018	2019
Remuneration of the Chairman of the Board	na	na	na	+21.83%
Remuneration of the Chief Executive Officer	na	na	na	+39.35%
Remuneration of the Chairman and Chief Executive Officer	+23.68%	-0.14%	-22.03%	na
Average remuneration of the employees	-5%	+11%	+8%	+11%
Net profit, Group share	+6%	+5%	-27%	+11%

3.3.2 Compensation of Executive Committee members

Compensation awarded to the members of the Executive Committee is composed of fixed compensation and annual variable compensation tied to the attainment of financial and non-financial targets for the current year, as well as to targets related to the implementation of the business strategy that are modulated to reflect each member's position. Depending on the position, variable compensation for the year may be equal to anything between 50% to 100% of fixed compensation when targets are met.

From 2019, and for all executive officers except the Chief Executive Officer, 60% of the variable component is linked to the achievement of the financial targets of the Group, Business Unit or Region depending on the scope of responsibility; and 40% of the variable component is linked to the achievement of the strategic targets specific to their role. A "multiplier" is applied at the level to which this variable component has been achieved, the result of which has a direct correlation with the financial performance of the Group and the Business Units. The effect of this multiplier is to increase or reduce the amount of the variable component to be paid, depending on the level to which the Group's targets have been achieved.

As with the Chief Executive Officer, Company executives are linked to the Group's growth through the award of free shares. The number of shares granted depends on service conditions and the Company's medium-term performance.

These plans aim to encourage achievement of the Group's long-term objectives and the value creation associated with them.

Performance criteria apply to all shares awarded and take into account an assessment that is intrinsic and relative based on the Company's business and stock-market performance. Performance criteria and their rate of attainment are the same for all Executive Committee members, including the Chief Executive Officer.

A deferred compensation policy is applicable to all members of the Executive Committee.

A company car is provided to each Executive Committee member.

3.3.3 Shareholdings of executive officers and employees in Ingenico Group

Ingenico Group periodically grants performance shares to executives and to top and middle management. Shares are allotted either for attainment of specific operational results or on the basis of commitments made by the beneficiary. The conditions are decided by the Board of Directors on the recommendation of the Compensation, Appointments and Governance Committee.

3.3.3.1 Performance shares

Following the authorization granted at the Annual General Shareholders' Meeting, the Board of Directors decided, based on the recommendation of the Compensation, Appointments and Governance Committee, to establish a free share award policy based on performance and, where relevant, investment. Consequently, since 2010, Ingenico has been implementing this policy by developing the corresponding schemes to encourage involvement by employees in the Group's overall performance, in particular through retention programs aimed at management teams of companies recently acquired due to external growth.

The plans implemented by Ingenico Group SA share similar features. Free shares are not definitely allocated until the end of a minimum period (the vesting period). This was increased to three years by an authorization granted by the Annual General Shareholders' Meeting of April 29, 2016. Previous plans covered two or four years, depending on the country involved. At the end of this vesting period, subject to conditions determined by the relevant plan such as performance, continuous service within the Group or, where relevant, investment, these shares are vested and fully owned by the beneficiaries.

For plans with a two-year vesting period, an additional two-year holding period is mandatory once the shares are fully vested. There is no mandatory holding period for plans with a four-year vesting period.

The goal of the free share allocation policy is to encourage the achievement of the Group's long-term objectives and the creation of shareholder value.

Since 2016, the long-term compensation policy of Ingenico Group had been structured around two complementary mechanisms introduced alternately every two years:

- a joint investment plan aimed at executive officers throughout the entire Group and its subsidiaries. Under this plan, beneficiaries personally invest a set amount in the shares of the Company. Depending on the degree to which the performance conditions and attendance conditions have been met, a number of free shares proportional to the number of shares invested become fully vested at the end of the vesting period;
- a simple performance share award plan for key managers and employees of the Group. In the same way as with the joint investment plan, beneficiaries are awarded free shares that become fully vested subject to performance and attendance conditions at the end of the vesting period.

The minimum vesting period under long-term compensation plans is three years and the performance conditions for free performance share award plans, whether associated with an investment condition or not, are based on both the Group's internal performance (medium-term EBITDA target) and external performance (Ingenico Group share price performance relative to the SBF 120 during the vesting period).

In the event of a change of control, the plan regulations prior to 2019 allow to waive the presence condition and deem the related performance conditions to be vested.

The Group presented its medium-term strategic plan and outlook to institutional investors and financial analysts on April 24, 2019.

To support the deployment of the Group's strategic objectives and ensure they will be achieved, the long-term compensation policy has been rolled out within the organization to staff who are key to its implementation.

Effective 2019, the principles of the policy of equity compensation through performance share allocations, defined by the Board of Directors based on the recommendation of the Appointments, Compensation and Governance Committee, have been amended as follows:

- Group executive officers and certain employees that the Group especially wishes to retain to be more closely linked to the Group's development and medium-term performance. The number of beneficiaries in 2019 is expected to be around 350, representing approximately 0.7% of the share capital;
- any allocation to be subject to a vesting period of at least three years;
- from now on, the vesting of performance shares to be conditional on compliance with three strict performance criteria – two internal criteria (EBITDA and revenue growth) and one external criterion (share price performance compared to that of the Euro Stoxx Tech 600) in line with the Group's medium-term strategic plan and financial objectives versus two criteria previously; the trigger thresholds of the performances criteria on which the shares are based will be decided on by the Board of Directors, and will not aim to reward underperformance of the objectives in any case;
- the allocation of rights to the Chief Executive Officer under the annual performance share allocation plans not to exceed 10% of all rights allocated under the annual plan.

Therefore, to continue this approach of linking compensation to the Group's development, the Board of Directors, using the authorization granted by the Extraordinary Shareholders' Meeting of April 29, 2016, and on the recommendation of the Compensation, Appointments and Governance Committee, decided to set out the terms for a free performance share award plan for 2019 for the Chief Executive Officer, executive officers or middle managers as follows:

Performance criteria:

- internal tied to the Group's financial and operating performance (70% of the allocation): EBITDA and revenue growth in line with the 2021 plan announced to the market;
- external (representing 30% of the allocated shares): change in the Company's share price compared to that of the Euro Stoxx Tech 600.

This plan has a minimum three-year vesting period and apply to 471,361 performance shares, *i.e.,* 0.7% of the Company's share capital.

At the end of the vesting period, the beneficiaries must be either:

- an employee of the Company, a subsidiary, or an associated company;
- an executive officer of the Company, a subsidiary, or an associated company.

If this condition is not met (especially in the event that the beneficiary's employment contract or term of office is terminated for any reason before the end of the vesting period), the free share award lapses and the beneficiary forfeits any right to the allocation of shares[1].

Performance shares granted to the top ten non-director employees in respect of 2019

Plan 2019-1	99,672

For 2020, the Board of Directors, using the authorization granted by the Extraordinary Shareholders' Meeting of June 11, 2019, and on the recommendation of the Compensation, Appointments and Governance Committee, decided to set out the terms for a free performance share award plan for 2020 for the Chief Executive Officer, executive officers or middle managers as follows using similar criteria to those applied for the 2019 free performance share award plan.

Performance criteria:

- internal criteria tied to the Group's financial and operational performance (70% of the allocation): EBITDA and revenue growth in line with the 2021 plan announced to the market. The objectives related to these criteria may be revised to take into account the impact of the Covid-19 epidemic and its consequences. In accordance to the provisions of the AFEP/MEDEF Code, these objectives will be aligned with the strategy of the company and will remain challenging in order to ensure that the interests of the shareholders and the beneficiaries are aligned;
- external criterion (representing 30% of the shares awarded): company share price performance compared to that of the Euro Stoxx Tech 600.

This plan has a three-year vesting period and apply to 400,00 performance shares, *i.e.* 0.63% of the Company's share capital, including 30,000 performance shares for the Chief Executive Officer as voted by the Annual General Shareholders'' Meeting of June 11, 2019.

At the end of the vesting period, the beneficiaries must be either:

- an employee of the Company, a subsidiary, or an associated company;
- an executive officer of the Company, a subsidiary, or an associated company.

If this condition is not met (especially in the event that the beneficiary's employment contract or term of office is terminated for any reason before the end of the vesting period),

(1) Other than in exceptional circumstances as determined by the Board of Directors and excluding cases provided for in respect of the termination benefits of the Chief Executive Officer in the event of forced termination pursuant to section 3.3.1.2 above. In case of change of control, the plan regulation allow to waive the presence condition in the event of forced termination within the eighteen months following the change of control.

the free share award lapses and the beneficiary forfeits any right to the allocation of shares[1].

It is specified that in the event of a success of the offer announced by Worldline on February 3, 2020, the Ingenico performance shares plan for 2020 will be replaced by a Worldline performance shares plan, provided that it is accepted by the Extraordinary Shareholders' Meeting of Worldline.

Summary of past free performance share awards

Annual General Shareholders' Meeting of May 11, 2010	2012-1	2012-2
Date of Board meeting	6/22/2012	6/22/2012
Total number of shares granted for free of which shares granted to directors and executive officers:	73,000	392,384
Chairman and Chief Executive Officer	None	17,448
Vesting date	6/22/2014	6/22/2014
End of holding period	6/22/2016	6/22/2016
Number of shares vested at June 22, 2014	63,000	334,832
Free shares outstanding as of December 31, 2019	None	None

Annual General Shareholders' Meeting of April 29, 2013	2013-1	2014-1	2014-2
Date of Board meeting	10/30/2013	10/29/2014	10/29/2014
Total number of shares granted for free of which shares granted to directors and executive officers:	5,500	31,200	199,470
Chairman and Chief Executive Officer	None	None	6,500
Vesting date	10/30/2015	10/29/2016	10/29/2016
End of holding period	10/30/2017	10/29/2018	10/29/2018
Aggregate number of shares canceled or expired as of December 31, 2019	1,000	6,950	36,080
Number of shares vested as of December 31, 2019	4,500	24,250	163,390
Free shares outstanding as of December 31, 2019	None	None	None

On October 30, 2013, the Board of Directors decided to award 5,500 free shares, subject to conditions of continuous service and the level of attainment of performance criteria linked to the Group's consolidated EBITDA.

On October 29, 2014, the Board of Directors decided to award:

- 31,200 free shares, subject to conditions of service and intrinsic performance linked to consolidated EBITDA and the relative stock market performance;
- 199,470 free shares, subject to conditions of service, subscription of Company shares, and performance – both external (performance of the Company's share price compared to the SBF 120) and internal (Group consolidated EBITDA).

Annual General Shareholders' Meeting of May 6, 2015	2015-1	2015-2
Date of Board meeting	7/29/2015	10/22/2015
Total number of shares granted for free of which shares granted to directors and executive officers:	186,900	1,400 600
Chairman and Chief Executive Officer	10,000	None
Vesting date	7/29/2017	10/22/2017 11/2/2017
End of holding period	7/29/2019	10/22/2019 11/2/2019
Aggregate number of shares canceled or expired as of December 31, 2019	28,700	None
Number of shares vested as of December 31, 2019	158,200	1,400 600
Free shares outstanding as of December 31, 2019	None	None

At its meetings of July 29, 2015 and October 22, 2015, the Board of Directors decided to award 186,900 and 2,000 free shares respectively (subject to conditions of service and the level of attainment of a performance criterion linked to the Group's consolidated EBITDA).

The end of the performance assessment period of the 2015 performance share plan (plan 2015-1) was July 29, 2017. The performance shares granted by the authorization of the Annual General Shareholders' Meeting of May 6, 2015 were conditional on the achievement of an internal performance criterion related to the Group's financial and operational performance: EBITDA target of €448 million as of December 31, 2016. Vesting thresholds for shares are as follows: 25% of shares vested at 90% achievement of the target; 50% of shares vested at 95% achievement of the target, and 75% of shares vested at 100% achievement of the target. The maximum number of free shares, *i.e.,* 100%, awarded for outperforming when performance is above 104% of the target.

The Board of Directors reported the following performance:

- EBITDA 2016: €476 million, *i.e.,* 106% of the target.

The vested shares will become fully available after a two-year lock-in period ("holding period"), *i.e.,* on July 29, 2019.

Annual General Shareholders' Meeting of April 29, 2016	**2016-1**
Date of Board meeting	7/26/2016
Total number of shares granted for free of which shares awarded to directors and executive officers:	18,610
Chairman and Chief Executive Officer	18,610
Vesting date	7/26/2019
End of holding period	7/26/2019
Aggregate number of shares canceled or expired as of December 31, 2019	18,610
Number of shares vested as of December 31, 2019	None
Free shares outstanding as of December 31, 2019	0

At its meeting of July 26, 2016, the Board of Directors decided to award 18,610 free shares (reduced to 14,516 following the departure of the Chairman and Chief Executive Officer on November 5, 2018) subject to performance conditions – both external (performance of the Company's share price compared to the SBF 120) and internal (Group consolidated EBITDA).

As the internal and external performance conditions were not achieved, no shares were vested on July 26, 2019 under plan 2016-1.

Annual General Shareholders' Meeting of May 10, 2017	**2017-1**	**2017-2**
Date of Board meeting	5/10/2017 7/26/2017	5/10/2017 7/26/2017
Total number of shares granted for free of which shares granted to directors and executive officers:	115,710	70,839
Chairman and Chief Executive Officer	6,040(1)	18,610(1)
Vesting date	5/10/2020 6/20/2020 8/28/2020	5/10/2020 6/20/2020 8/28/2020
End of holding period	5/10/2020 6/21/2020 8/28/2020	6/21/2020 8/28/2020
Aggregate number of shares canceled or expired as of December 31, 2019	46,470	32,134
Number of shares vested as of December 31, 2019	None	None
Free shares outstanding as of December 31, 2019	69,340	38,705

(1) *In accordance with the decision of the Board of Directors and in agreement with the Chairman and Chief Executive Officer, the number of shares awarded was reduced from 23,639 to 18,610 on May 16, 2018. Then, following the departure of the Chairman and Chief Executive Officer, the number of shares awarded was reduced to 2,900 (plan 2017-1) and 9,305 (plan 2017-2).*

On May 10, 2017 and July 26, 2017, the Boards of Directors decided to award the following, the conditions of which were set on March 21, 2017 as below:

- 70,839 free shares, subject to conditions of service and intrinsic performance linked to consolidated EBITDA and the relative stock market performance;
- 115,710 free shares, subject to conditions of service, personal acquisition of Company shares, and performance – both external (performance of the Company's share price compared to the SBF 120) and internal (Group consolidated EBITDA).

Annual General Shareholders' Meeting of May 16, 2018	2018-1	2018-2	2018-3
Date of Board meeting	5/16/2018	5/16/2018	5/16/2018
Total number of shares granted for free of which shares granted to directors and executive officers:	171,310	226,264	21,600
Chairman and Chief Executive Officer(1)	18,610	None	None
Vesting date	5/16/2021	5/16/2021	5/16/2021
End of holding period	5/16/2021	5/16/2021	5/16/2021
Aggregate number of shares canceled or expired as of December 31, 2019	59,946	87,962	3,600
Number of shares vested as of December 31, 2019	None	None	None
Free shares outstanding as of December 31, 2019	111,364	138,302	18,000

(1) *Following the departure of Philippe Lazare, the number of shares awarded was reduced to 3,164.*

The meeting of the Board of Directors of May 16, 2018 decided to make the following awards:

- 171,310 free shares, subject to conditions of service and intrinsic performance linked to consolidated EBITDA and the relative stock market performance, as set out above;
- 226,264 free shares, subject to conditions of service, personal acquisition of Company shares, and performance – both external (performance of the Company's share price compared to the SBF 120) and internal (the EBITDA of the SMB Division), as set out above;
- 21,600 free shares, subject to conditions of service and intrinsic performance linked to the EBITDA of the SMB Division and the relative stock market performance, as set out above.

Annual General Shareholders' Meeting of June 11, 2019	2019-1
Date of Board meeting	6/11/2019
Total number of shares granted for free of which shares granted to directors and executive officers:	471,361
Chief Executive Officer	36,380(1)
Vesting date	6/11/2022
End of holding period	6/11/2022
Aggregate number of shares canceled or expired as of December 31, 2019	23,240
Number of shares vested as of December 31, 2019	None
Free shares outstanding as of December 31, 2019	448,121

(1) *The award of 34,000 performance shares could increase to 36,380 shares if financial performance criteria are exceeded (110%), as set out in the table above.*

The meeting of the Board of Directors of June 11, 2019 decided to make the following awards:

- 471,361 free shares, subject to conditions of service and intrinsic performance linked to revenue growth, consolidated EBITDA and the relative stock market performance, as set out above.

3.3.3.2 Stock options

As of December 31, 2019, there were no outstanding stock options.

Share subscription or purchase options granted by the Company or any Group company or subscribed by each director or executive officer in 2019

None.

3.3.3.3 Incentive programs and employee profit-sharing

In addition to the employee profit-sharing scheme required under French law, Ingenico Group has set up an optional incentive program based on financial and non-financial metrics that enables all employees to participate in the Group's success.

The incentive program of the UES Ingenico, including Ingenico Group SA, Ingenico Business Support SAS, Ingenico Terminals SAS and Ingenico France SAS was renegotiated as a collective agreement signed on June 28, 2019 for the period 2019-2021.

3.3.3.4 Employee Savings Plan – Employee share offers

The employee share offers is a key part of the compensation and commitment policy for employees. It is built around two main mechanisms: free awards of performance shares and the capital increase reserved for employees.

To complete these mechanisms, a company savings plan enables employees of the subscribing entities to make voluntary deposits or invest the amounts received under the incentive program or employee profit-sharing scheme.

They are eligible to receive an employer's contribution of 100% of each payment made within the limit of €500 gross per year per employee and then up to 50% beyond and within the limit of €2,500.

The investment structures available are the Ingenico Actionnariat France collective employee mutual fund (FCPE) entirely invested in the Company's shares, and a range of multi-company FCPE funds offering the choice of investment in different asset classes (equities, bonds, money market funds), thus allowing employees to diversify their savings.

As of December 31, 2019, the employees of the Group, within the meaning of Article L. 225-102 of the French Commercial Code, held 0.27% of the share capital of Ingenico Group SA.

3.3.3.5 Collective pensions saving scheme

A collective pensions saving scheme (PERCO) also allows Company employees to save for their retirement with assistance from their employer.

Employees can choose to make voluntary payments or apply all or part of their incentive or participation rewards to the scheme, with matching employer payments of up to 100% of each payment made up to €1,500 gross per year per employee and 50% beyond that, up to a limit of €2,500.

Thus, for €3,500 paid in, the deposits are matched by complementary employer contributions of €2,500 gross.

3.3.3.6 Trading restrictions on shares

The Board of Directors established Rules of Procedure and a Code of Stock Market Compliance relating to trading in Company shares and to the prevention of insider trading misconduct. These rules incorporate, *inter alia*, rules of corporate governance upheld by the Board, and in particular, rules related to the duties and operation of the Board and its committees and rules governing the conduct of Board members, for example, when trading in the Company's shares.

The information disclosed to members of the Board of Directors in their official capacity is subject to the provisions of regulation (EU) 596/2014.

The trading blackout periods surrounding the dates of publication of the Company's financial information are uploaded to the Company's website.

3.3.3.7 Share transactions by directors and executive officers of Ingenico Group

The following chart lists the transactions disclosed in 2019 and until the date of this Document by the directors and officers referred to in Article 3 § 25 of regulation (EU) 596/2014:

Declaring director or executive officer	No. of the AMF decision/notice	Financial instrument	Type of transaction	Transaction date	Date of receipt of declaration	Place of transaction	Unit price *(in euros unless otherwise indicated)*	Volume
Bernard BOURIGEAUD	2019DD595471	Shares	Acquisition	February 13, 2019 February 14, 2019	February 18, 2019	Euronext Paris	51.2617 53.2988	1,890
Xavier MORENO	2019DD595472	Shares	Acquisition	February 13, 2019	February 18, 2019	Euronext Paris	52.1393	5,000
Michel-Alain PROCH	2019DD595473	Shares	Acquisition	February 13, 2019	February 18, 2019	Euronext Paris	52.50	2,925
Michel-Alain PROCH	2019DD595714	American Depositary Receipt (ADR)	Acquisition	February 14, 2019	February 19, 2019	OTC	USD 12.05 USD 12.07	5,000 3,000
Thierry SOMMELET	2019DD605712	Shares	Loan of shares contract	April 30, 2019	May 3, 2019	No trading venue	0	1,000
BPI Participations	2019DD605705	Shares	Loan of shares contract	April 30, 2019	May 3, 2019	No trading venue	0	1,000
Élie VANNIER	2020DD664229	Shares	Acquisition	June 28, 2019	January 6, 2020	Euronext Paris	77.78	162
Bernard BOURIGEAUD	2019DD624601	Shares	Subscription	July 9, 2019	July 10, 2019	Euronext Paris	64.59	286
Nazan SOMER ÖZELGIN	2019DD626659	Shares	Acquisition	July 24, 2019	July 26, 2019	Euronext Paris	82.1819	1,000
Bernard BOURIGEAUD	2019DD626922	Shares	Acquisition	July 26, 2019	July 29, 2019	No trading venue	0	1,092
Élie VANNIER	2019DD627681	Shares	Disposal	July 30, 2019	August 1, 2019	Euronext Paris	85.02	2,084
Bernard BOURIGEAUD	2019DD644370	Shares	Acquisition	September 30, 2019	October 4, 2019	Euronext Paris	0	431
Bernard BOURIGEAUD	2019DD663884	Shares	Acquisition	December 31, 2019	January 3, 2020	Euronext Paris	0	431
Élie VANNIER	2020DD668021	Shares	Disposal	February 5, 2020	February 6, 2020	Euronext Paris	125.1586	5,254
Agnès AUDIER	2020DD669184	Shares	Acquisition	February 11, 2020	February 14, 2020	Euronext Paris	134.90	1,010
Jacques GUERIN	2020DD670070	Shares	Disposal	February 17, 2019 February 17, 2020	February 23, 2020 February 23, 2020	Euronext Paris Euronext Paris	136.9119 136.5737	11,500 667

3.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS

Annual General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2019

To the Annual General Shareholders' Meeting of Ingenico Group SA,

In our capacity as your Company's statutory auditors, and pursuant to the duties set forth in the French Commercial Code, we hereby present to you our report on the capital transactions that will be submitted for your approval.

In our capacity as statutory auditors for your Company, we hereby present our report on regulated agreements.

We are required to inform you, on the basis of the information provided to us, of the nature and essential terms and conditions of the agreements that have been disclosed to us or identified in the course of our work, as well as the reasons given to justify their benefit to the Company. It is not our role to determine whether they are beneficial or appropriate, nor to ascertain whether any other agreements exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements prior to their approval.

In addition, we are required, where applicable, to inform you, in accordance with Article R.225-31 of the French Commercial Code, about the execution during the past year of agreements previously approved by the Annual General Shareholders' Meeting.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie nationale des commissaires aux comptes, France's national organization of statutory auditors.

Agreements submitted for the approval of the Annual General Shareholders' Meeting

Agreements authorized and concluded in the past financial year

We hereby inform you that we have not been notified of any agreements authorized and concluded by the Company to be submitted for the approval of the Annual General Shareholders' Meeting under Article L.225- 38 of the French Commercial Code.

Agreements previously approved by the Annual General Shareholders' Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Shareholders' Meeting, the execution of which would have continued during the past financial year.

Paris – La Défense, March 30, 2020

KPMG Audit	Mazars
A division of KPMG S.A.	
Frédéric Quélin	Ariane Mignon
Partner	*Partner*

4

COMMENTS ON THE FINANCIAL YEAR AND SUBSEQUENT EVENTS

4.1 ACTIVITY REPORT

The 2019 consolidated and statutory financial statements have been approved by the Board of Directors on 25h February 2020. The audit procedures on the consolidated and statutory financial statements are concluded.

The consolidated financial statements have been drawn up in accordance with International Financial Reporting Standards (IFRS). In order to provide meaningful comparable information, these data have been presented on an adjusted basis, i.e. restated to reflect the depreciation and amortization expenses arising on the acquisition of new entities. Pursuant to IFRS 3R, the purchase price for new entities is allocated to the identifiable assets acquired and subsequently amortized over specified periods.

The main financial data for 2019 has been analyzed on an adjusted basis, i.e. before purchase price allocation (PPA). Please see Exhibit 4.

The adjusted gross margin and the adjusted operational expenses disclosed exclude the depreciation and amortization, provisions, expenses for the share distributed to employees and officers and purchase price allocation ("PPA"). – Please see Exhibit 4.

EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before expenses for shares distributed to employees and officers. The reconciliation of adjusted profit from ordinary operations to EBITDA is available in Exhibit 4.

EBIT (Earnings Before Interest and Taxes) is equal to profit from ordinary activities, adjusted for amortization of the purchase price for newly acquired entities allocated to the identifiable assets acquired.

Free cash flow is equal to EBITDA less: cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income, and tax paid.

The financial net debt disclosed excludes the financing line of merchants pre-financing and liabilities related to IFRS 16 lease obligations.

Key figures

(in millions of euros)	2019	2018	Change in 2019 compared with 2018
Revenue	3,370	2,643	+28%
Adjusted gross profit	1,240	1,048	+18%
• *As a % of revenue*	*36.8%*	*39.6%*	*-2.8 pts*
Adjusted operating expenses	(634)	(560)	+13%
• *As a % of revenue*	*-18.8%*	*-21.2%*	*-2.4 pts*
Gross operating surplus (EBITDA)	606	488	+24%
• *As a % of revenue*	*18.0%*	*18.4%*	*-0.4 pts*
Profit from ordinary activities, adjusted (EBIT)	464	416	+12%
• *As a % of revenue*	*13.8%*	*15.7%*	*-0.8 pts*
Profit from operating activities	311	278	+12%
Net profit	216	189	+14%
Net profit attributable to Group shareholders	208	188	+11%
Adjusted free cash flow	*352*	*285*	*+24%*
Free Cash Flow	*310*	*238*	*+30%*
Net debt	1,307	1,518	-14%
• Net debt-to-EBITDA ratio	*2.2x*	*3.1x*	-
Equity attributable to Group shareholders	2,238	1,845	+21%

4.1.1 Financial data

- **10% organic growth in revenue**

	FY 2019			4th quarter 2019		
	In millions of euros	% change		In millions of euros	% change	
		Comparable(1)	Reported		Comparable(1)	Reported
RETAIL	**1,919**	**11%**	**43%**	**512**	**10%**	**41%**
SMBs	343	11%	9%	89	7%	5%
Global Online	582	11%	13%	155	9%	12%
Enterprise	412	19%	34%	116	17%	28%
Payone	582	6%	189%	152	7%	206%
BANKS & ACQUIRERS	**1,451**	**10%**	**11%**	**367**	**0%**	**1%**
EMEA	473	-5%	-4%	118	-6%	-5%
Latin America	325	64%	63%	85	25%	23%
North America	189	11%	16%	60	31%	37%
Asia-Pacific	463	2%	4%	104	-18%	-17%
TOTAL	**3,370**	**10%**	**27%**	**879**	**5%**	**21%**

(1) *On a like-for-like basis and at constant exchange rates.*

Performance for the year

In the full-year 2019, revenue totalled €3,370 million representing a 10% organic growth. Excluding interchange fees, net revenue reached €2,895 million and a 11% organic growth. On a reported basis revenue was 27% higher than in the full-year 2018 and included a positive foreign exchange impact of €32 million.

Over the year, the Retail Business Unit reported a revenue of €1,919 million, showing an increase of 11% on a comparable basis. Excluding interchange fees, net revenue reached €1,444 million and a 12% organic growth. On a reported basis, revenue increased by 43% during the year and included a positive foreign exchange impact of €12 million.

The B&A Business Unit posted a revenue of €1,451 million, a 10% increase on a comparable basis. On a reported basis the activity increased by 11% and included a positive foreign exchange impact of €20 million.

Adjusted gross profit

In 2019, adjusted gross profit reached €1,240 million (€1,235 million excluding IFRS 16), representing 36.8% of revenue (36.7% of revenue excluding IFRS 16) to be compared with €1,170 million in 2018 pro-forma, or 38.6% of revenue.

Retail adjusted gross profit rate was stable, while investing into growth initiatives and B&A adjusted margin was impacted by an unfavourable geographical mix as expected, mainly driven by the 64% organic growth in Latin America, and isolated pricing pressure in some mature countries, as expected.

Adjusted operating expenses

During the year 2019, adjusted operating expenses have reached €634 million. Excluding the positive IFRS 16 effect of €28 million, adjusted operating expenses were €662 million, down 160 bps as percentage of revenues (19.6% *versus* 21.2% in 2018 pro-forma) while revenue base increased by c. €340 million. The decrease in adjusted operating expenses rate is the result of a strong cost control program initiated globally, then rolled out and accelerated in B&A, Retail and Group support functions through the implementation of the Fit for Growth plan.

(in millions of euros)	2018	2019 reported	Restatement of PPA-related asset amortization charges	2019 non-IFRS	Impact of depreciation, amortization and provisions, and expenses for share-based payments	2019 adjusted
Distribution and marketing costs	250	302	(67)	235	(7)	228
Research and development expenses	171	190	-	190	(46)	142
Administrative expenses	247	306	-	306	(35)	264
TOTAL OPERATING EXPENSES	**668**	**798**	**(67)**	**731**	**(86)**	**634**
As a % of revenue	**25.3%**	**23.7%**	**-**	**21.7%**	**-**	**18.8%**

EBITDA margin to represent 18.0% of revenue

EBITDA came in at €606 million including a positive IFRS 16 effect of €33 million. Without this effect, EBITDA would be €573 million, against €527 million like-for-like in 2018 (€488 million on reported basis), thus an improvement of €46 million, of which €20 million is derived from the Fit for Growth plan.

Retail EBITDA came in at €301 million. Excluding positive IFRS 16 impact of €20 million, EBITDA reached €281 million (14.6% of revenue) to be compared with €250 million (14.5% of revenue) in FY'18 pro-forma, an increase of 10 bps. Excluding the €5 million growth initiatives investment, EBITDA would have reached €286 million, at 14.9% of revenue, increasing by 40 bps. This overall performance is above our annual Retail EBITDA objective to be above €285 million with €301 million delivered.

B&A EBITDA stood at €305 million. Excluding positive IFRS 16 impact of €12 million, EBITDA reached €293 million (20.2% of revenue) to be compared with €277 million (21.2% of revenue) in FY'18, decreasing by 100 bps. This EBITDA improvement of €16 million is mainly derived from an over-performance in revenue in Latin America. In line with the B&A revival plan as previously communicated, the Fit for Growth positive EBITDA impact in FY'19 has compensated pressure on gross profit coming from geographical mix evolution and isolated pricing pressure in some mature countries. Overall performance is in line with our annual B&A EBITDA objective to deliver c.€305 million.

EBIT and operating income

EBIT margin represented 13.8% of revenue and reached €464 million. Excluding positive IFRS 16 impact of €4 million, EBIT were €460 million, compared to €443 million in FY'18 pro-forma.

After taking into account the other income & expenses and price purchase allocation, operating income excluding positive IFRS 16 impact was €307 million (9.1% of revenue).

Impact of purchase price allocation (PPA)

(in millions of euros)	2019 cash excluding PPA	Non-cash impact	2019 adjusted Excl. PPA	Impact of PPA	2019 reported
Gross profit	1,240	(45)	1,195	(34)	1,162
Operating expenses	(634)	(98)	(731)	(67)	(798)
Profit from ordinary activities	**606**	**(142)**	**464**	**(101)**	**364**

Profit from operating activities

Other operating income and expenses were -€52 million, compared with -€48 million in 2018. This increase largely relates to reorganization and acquisition expenses.

(in millions of euros)	2019 reported	2018
Profit from ordinary activities	364	326
Other operating income and expenses	(52)	(48)
Profit from operating activities	**311**	**278**
As a % of revenue	9.2%	10.5%

After accounting for these other operating income and expense items, operating profit was €311 million (9.2% of revenue), compared with €278 million in 2018 (10.5% of revenue).

Reconciliation of profit from ordinary activities with EBITDA

(in millions of euros)	2019 reported	2018
Profit from ordinary activities	**364**	**326**
Amortization of assets linked to PPA	101	90
EBIT	464	416
Other D&A and provisions	130	71
Share-based compensation expenses	12	0
EBITDA	**606**	**488**

Net financial income

(in millions of euros)	2019 reported	2018
Total interest expense	(40)	(37)
Income from cash and cash equivalents	9	7
Net interest expense	(31)	(30)
Foreign exchange gains/losses	(4)	(3)
Other income and expenses	(5)	(5)
Net financial income	(40)	(38)

Net profit attributable to Group shareholders

(in millions of euros)	2019 reported	2018
Profit from operating activities	311	278
Net financial income	(40)	(38)
Share of profits in equity-accounted investees	-	0
Profit before income tax	271	241
Income tax	(55)	(52)
Net profit	217	189
Net profit attributable to Group shareholders	208	188

The net financial results account for €-40 million compared to €-38 million in 2018. Income tax were stable to €55 million in 2019 (20.2% effective tax rate) against €52 million in 2018 (21.5% effective tax rate).

In 2019, Group net profit attributable to shareholders came in at €208 million, against €188 million in 2018.

Strong cash generation

Free cash-flow improved very significantly during the year 2019 at €310 million compared to €238 million in 2018. The major elements of the free cash-flow improvement were:

- contribution of EBITDA increase of €85 million on reported basis, net of non-cash IFRS 16 effect;
- a stabilization of the working capital in a strong growth environment, resulting from a fully redesigned cash control process with a better efficiency on cash collection;
- increase of capital expenditure by €18 million reaching €135 million (€30 million in B&A and €105 million in Retail), against €117 million in FY'18. The level of capital intensity is fully in line with the Group mid-term investment policy;
- OIE decreased by €5 million reaching €42 million, in line with our annual objective;
- Interests paid stable at €20 million;
- tax paid decreased by €25 million, from €90 million in 2018 to €65 million in 2019 benefiting from a €25 million one-off reimbursement of the French tax authority.

Consequently, the free cash-flow conversion rate reached 51%. Excluding IFRS 16 and the tax one-off effect, the free cash-flow conversion rate reached 50%, an improvement of 1.0 point compared to last year.

The Group's net debt decreased to €1,308 million against €1,518 million at the beginning of the year. The major elements of this evolution are the €310 million free cash-flow generation and the €66 million net cash-out mainly related to the Paymark acquisition. The ratio of net debt to EBITDA is down to 2.2x from 3.1x at the end of 2018.

Proposal to cancel dividend

To be consistent with the partial unemployment measures, the Board of Directors has exceptionally decided not to propose a dividend distribution this year.

This proposal will be presented to the Annual General Meeting of shareholders on June 11th 2020.

4.1.2 Significant events since December 31, 2019

Any significant events that have occurred since December 31, 2019 are described in Note 15 "Subsequent events" in the notes to the consolidated financial statements as of December 31, 2019 relating to the press release published on February 3, 2020 by Worldline SA and Ingenico Group SA.

On April 7, 2020, Ingenico Group announced its decision to align its financial communication agenda with that of Worldline in order to provide a simultaneous financial communication, as well as the postponement of its Annual General Shareholders' Meeting (initially planned for May 26, 2020) to June 11, 2020. This delay will not impact the timeline of the strategic project of the acquisition of Ingenico Group SA by Worldline as it had been announced this past February 3rd. Since then, thanks to the efficient collaboration of both companies, this project has moved forward successfully and fully in line with the objective of a finalization within the third quarter of 2020.

As a reminder, in case of termination of the business agreement by Worldline as a result of (i) a material breach of such agreement by Ingenico, (ii) the Board of Directors of Ingenico not issuing a favorable reasoned opinion (avis motivé) on the transaction or recommending or entering into an alternate transaction or (iii) Ingenico taking any decision or measure leading to the withdrawal of the tender offer under Article 232-11 of the AMF General Regulation or otherwise frustrating or imposing a substantial impediment on the completion of the tender offer, Ingenico shall pay a termination fee of € 100 million to Worldline.

In case of termination of the business combination agreement by Ingenico as a result of a material breach of such agreement by Worldline, Worldline shall pay a termination fee of € 200 million to Ingenico.

On April 22, 2020, the Group reported its net revenue for the first quarter, showing an organic growth of 4%. The Group also stated its revised objectives for the year 2020, as presented in the section 4.2 of this document.

4.1.3 Main risks and uncertainties in 2020

Ingenico Group faces the same risks and uncertainties in 2020 as those described in this document to which is added the exceptional and unpredictable risk of Covid-19.

Already in its press release dated February 25, 2020, Ingenico Group shared the information that was available on its exposure to the risks associated with the spread of Covid-19.

Ingenico is continuously reviewing the level of exposure of its employees and business activities to the risks associated with the Covid-19 coronavirus outbreak.

This review is performed on the basis of the information currently available on the evolution of the spread of the virus worldwide. The results of this analysis to date are as follows:

- employees: the Group has immediately implemented all necessary measures to protect the health of its employees by closely following the rules imposed by each country in which Ingenico operates, as well as the Group's internal regulations in cases where these provide greater levels of protection. Ingenico has implemented various health protection measures such as restriction or cancelation of travel, telecommuting, and social distancing measures on sites that are still in operation, particularly through the implementation of a team rotation system and the compulsory use of personal protective equipment that is compliant with local government requirements. Suspected or confirmed cases of Covid-19 among our employees are monitored very carefully to ensure that we can not only provide support but also inform and protect the teams;
- B&A activity: part of Ingenico payment terminals components are dependent on Asian manufacturers. Thanks to advance inventories spread throughout the world and the Group's assembly lines outside China (in Brazil and Vietnam), B&A was able to rapidly recover its production capacity in Q1. However, the rollout of containment measures around the world, affecting many countries, during the second quarter of 2020 is expected to lead to a significant slowdown in the demand for terminals from large banks and acquirers, and could impact our production and delivery capacity. This is likely to result in a shift of revenues from H1 2020 to H2 2020, the magnitude of which will depend on how soon countries lift lockdown measures and how quickly economic activity can return to normal in those countries;
- Retail business activities: the Retail business lines are focused on offering payment services directly to physical and online merchants, and therefore rely in part on the transaction volumes achieved by the latter. As for B&A, the rollout of containment measures and the temporary halt in certain economic sectors across the world during the second quarter of 2020 is expected to lead to a significant downturn in transaction volumes, in particular among physical merchants. Furthermore, the suspension of international travel is likely to have an impact on our online businesses, specifically Global Online. Performance in the second half of the year will depend on how quickly countries lift lockdown measures and how quickly economic activity returns to normal, which should result in an upturn in transaction volumes.

On the date of publication, Ingenico's central scenario is based on containment measures in Europe being lifted by the end of May 2020 and those in North America by the end of June 2020; this also assumes that there will not be a second wave of lockdown measures across the world during the second half of 2020. In this case, there could be a gradual recovery of business activities; however, the speed at which this will happen remains difficult to determine at this stage.

Globally, Ingenico has implemented all necessary measures to protect its employees and to minimize the impacts on its business activities and customers. The situation's development and the measures/actions taken are monitored on a daily basis by an ad hoc crisis unit.

4.1.4 Main related-party transactions

In 2019, there were no material transactions liable to be considered new regulated agreements. See Note 6d. "Related-party transactions" in the notes to the consolidated financial statements as of December 31, 2019.

4.2 OUTLOOK AND TRENDS

New reporting format:

In 2020, Ingenico will implement a new reporting format to provide a better measure of both divisions' performance, aligned with European and American market best practice. The new reporting format will impact two financial aggregates as follows:

- Revenue: shift of Retail revenue from gross (including interchange fees) to net (excluding interchange fees), leading to a revenue restatement of €475 million in 2019 (from €1,919 million gross revenue to €1,444 million net revenue). 2020 organic growth guidance will be based on net revenue;
- EBITDA: identification of corporate costs and publication of business units EBITDA excluding reallocation of corporate costs. 2020 EBITDA guidance will include three underlying components, Retail and B&A EBITDA and corporate costs.

2020 outlook:

On the date of publication, the macroeconomic situation is still uncertain for the second part of the year 2020. For this reason, the previous guidance provided to the market on 3rd February, 2020 is no longer valid.

In that context and based on a tight monitoring of the situation, Ingenico Group has defined major business assumptions and several recovery scenarios that have been integrated to assess the potential organic growth profile for FY'20. Our major business assumptions are based on a staged end of confinements for Europe and the United States from mid-May to June 2020, a progressive pick-up in consumption while stores re-open depending on sanitary constraints, a central scenario on travel with no recovery of international travel before end 2020 and a gradual pick-up on regional travel, and some possible short and local re-confinements in the countries in which the Group operates.

Based on these assumptions, the Group has derived the three following scenarios structured around different recovery curves, all articulated around a conservative c.20 % organic decline in Q2:

- Scenario 1: return to the pre-Covid-19 4% to 6% organic growth guidance in Q4'20 leading to a mid-single digit organic decline in FY'20;
- Scenario 2: return to the pre-Covid-19 4% to 6% organic growth guidance in December 2020 leading to a mid to high single digit organic decline in FY'20;
- Scenario 3: return to the pre-Covid-19 4% to 6% organic growth guidance in Q1'21 leading to a high single digit organic decline in FY'20.

In this context, Ingenico Group has sized and activated in early March a strong and holistic action plan aimed at adapting its cost structure, protecting profitability and preserving cash. This sizing was decided upon the basis of the most conservative scenario (Scenario 3). Consequently, on top of the Fit for Growth plan that will deliver €35 million EBITDA impact in 2020, this C19 action plan implemented during Q1'20 will deliver €100 million added EBITDA impact in 2020. The combination of the two plans will reduce the Group's operating expenses and other cost of sales by up to 13 %.

The Covid-19 action plan is already fully in execution and is focused on a holistic approach of the Group cost structure:

- Labor cost: full hiring freeze including replacements, use of partial unemployment measures in 6 countries (France, Belgium, UK, Norway, Austria and Taiwan). Critical positions are to be approved by the Group CEO only;
- Travel: full travel freeze;
- External services: 30% reduction in sub-contractor services, all spending above €5K to be approved by the Group CFO and strong reduction in discretionary spending;
- Capex: tight allocation of capital preserving Fit for Growth projects for 2021 business growth.

In that context, Ingenico Group revises its FY'20 guidance as follows:

- Net revenue: a mid to high single digit organic decline (was formerly 4- 6 % organic growth);
- EBITDA: an EBITDA margin above 21% (20.9% in FY'19) (was formerly above €650 million);
- Free cash-flow conversion: a FCF conversion above 50% (unchanged);
- No dividend payment (was formerly a pay-out ratio of 35 %).

1) This outlook rely in particular on:
   - the absence of substantial scope operation;
   - the absence of substantial regulatory changes;
   - the execution of our cost savings program under Fit for Growth plan and Covid-19; and
   - the absence of any significant change in accounting standards.
2) At constant exchange rates.
3) This outlook has been built on a comparable basis versus historical financial information, and according to Group's accounting standards, especially regarding methods described on note 5.6 "Reconciliation of financial performance indicators with the consolidated financial statements" of this document.

4.3 COMMENTS ON THE PARENT COMPANY FINANCIAL STATEMENTS

4.3.1 Key figures and information

Ingenico Group SA acts exclusively as the holding company for Ingenico Group. As such, Ingenico Group SA is the Group's parent company specifically tasked with:

- defining overall strategy;
- Group financing.

The relationships between Ingenico Group SA and its subsidiaries are covered by the following master agreements:

- contract for management fees;
- support services provision contract;
- terminals distribution contract;
- contract for trademark and domain names;
- cash management agreement;
- real estate sub-leasing contract;
- patent licensing contract;
- intellectual property and software licensing contract;
- research and development framework contract.

Additionally, the following agreements govern the relationships between Ingenico Group SA and its foreign subsidiaries:

- contracts for management fees;
- contracts for trademark and domain names;
- contracts for royalties.

Fiscal year 2019 was mainly impacted by the following transactions:

Equity interests

- On January 8, 2019, Ingenico Group SA completed the merger between BS PAYONE, a subsidiary of Sparkassen-Finanzgruppe, and the assets of Ingenico's Retail business in the DACH region (Germany, Austria, Switzerland). The joint venture, renamed Ingenico Payone Holding GmbH, is 48% held by Deutscher Sparkassen Verlag and 52% by Ingenico Group.
- On January 11, 2019, Ingenico Group SA completed the acquisition of Paymark, a New Zealand electronic payment network, for a total amount of NZ$190 million.
- On October 9, 2019, Ingenico Group SA made a contribution of funds in connection with the creation of a joint venture incubator, ZONE2BOOST S.L., with CaixaBank and Global Payments. Its aim is to host startups in Barcelona. Ingenico Group SA's shareholding amounts to €0.4 million.
- On November 29, 2019, Ingenico Group SA decided to increase the share capital of Ingenico France SAS by an amount of €43.4 million in cash.
- On December 16, 2019, Ingenico Group SA signed an agreement with its partner, Deutscher Sparkassen Verlag GmbH, to pay an earn-out to the joint venture, in accordance with the contract for combining the joint venture's assets. This additional price amounted to €4.3 millions and was subject to a charge payable in the accounts as of December 31, 2019.

Free share award plan and stock option plans

On June 11, 2019, the Board of Directors, on the basis of the authorization granted by the Annual General Shareholders' Meeting of April 29, 2016, decided to set up a new program of free share awards for the benefit of certain employees of French and foreign companies in the Group. The total number of shares to be awarded at the end of a three-year vesting period is 471,361 subject to conditions of continuous service and will be determined according to the level of achievement of the performance conditions associated with the growth of EBITDA, Group revenue and Ingenico Group share price performance.

As part of the free share award and joint investment plans launched in 2015, the vesting periods of which expired in 2019, 43,000 treasury shares were allocated to beneficiaries.

The remaining €2 million share award acquired by the beneficiaries was taken from treasury shares.

Financing

On July 19, 2019, Ingenico Group SA repaid, early and in full, the €250 million bank loan it had taken out in September 2017.

Revenue for the year ended December 31, 2019 was €84.3 million, broken down as follows:

Revenue by geographical area *(in millions of euros)*	**2019**	**2018**
France (mainland and overseas depts.)	16.9	18.7
APAC (Asia Pacific)	9.1	9.6
EMEA (Europe, Middle East and Africa)	44.5	44.3
LAR and NAR (Latin America and North America)	13.8	15.3
TOTAL	**84.3**	**87.9**

Net financial income totaled €100.4 million in 2019, compared with €89.7 million in 2018. Composed of:

Financial income and expenses *(in millions of euros)*	**2019**	**2018**
Interest expense	-28.1	-27.0
Interest income	13.8	15.3
Income from financial investments	3.1	3.0
Net provisions/reversals on equity interests and loans and advances	-74.7	-16.0
Dividends and interest received from subsidiaries	184.2	126.4
Foreign exchange	2.0	-12.1
Gains/losses on disposals of short-term investments	0.1	0.1
TOTAL	**100.4**	**89.7**

Non-recurring income and expenses for 2019 came to -€2.7 million, broken down as follows:

Non-recurring income and expenses *(in millions of euros)*	**2019**	**2018**
Gains/losses on disposal of assets	-0.2	0.5
Litigation and quality expenses	-1.8	0.8
Tax-accelerated depreciation and amortization	-0.7	0.3
TOTAL	**-2.7**	**1.6**

Income tax is -€7,177 million, including a business research tax credit of €1.2 million.

As a result, the parent company recorded a net profit of €133,199,098.14 for the year.

Non-tax-deductible expenses totaled €76,671 and reflect excess depreciation and tax on passenger vehicles on long-term leases.

Shareholders' equity rose from €1,886.7 million in 2018 to €1,988.9 million in 2019. This €105.4 million increase in shareholders' equity was driven by the Company's €136.4 million net profit for the year.

In addition, a dividend of €68 million (not including treasury shares) was distributed on July 3, 2019, comprising €33.4 million in cash and €34.5 million in Ingenico Group SA shares.

4.3.2 Information on supplier and customer payment periods (Article L.441-6-1 of the French Commercial Code)

	Article D.441 I.(1) of the French Commercial Code: Invoices received not paid on the closing date of the period whose term is due					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payment tranches						
Number of invoices concerned (Non-group & Group)	2					25
Total amount of invoices concerned (Non-group & Group; *incl. tax in K€*)	82	450	417	17	286	1,170
Percentage of the total amount of purchases for the period (Non-group & Group; *incl. tax*)	0.05%	0.26%	0.24%	0.01%	0.16%	0.67%
Percentage of revenue for the period						
(B) Invoices excluded from (A) relating to contentious or non-recognized debts or receivables						
Number of invoices excluded (Non-group & Group)						52
Total amount of invoices excluded (Non-group & Group; *incl. tax in K€*)						1,400
(C) Reference payment deadlines used (contractual or statutory deadline – Article L.441-6 or Article L.443-1 of the French Commercial Code)						
Payment deadlines used for the calculation of late payments	Contractual deadlines: framework contract deadlines within 45 days of the end of the month or according to the payment conditions negotiated with each supplier					

	Article D.441 I.(2) of the French Commercial Code: Invoices issued not paid on the closing date of the period whose term is due					
	0 days (indicative)	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payment tranches						
Numbers of invoices concerned		45	7	2	47	101
Total amount of invoices concerned (*excl. tax in K€*)		3,138	(53)	90	1,069	4,244
Percentage of the total amount of purchases for the period						
Percentage of revenue for the period (*excl. taxes in K€*)		3.72%	-0.06%	0.11%	1.27%	5.03%
(B) Invoices excluded from (A) relating to contentious or non-recognized debts or receivables						
Number of invoices excluded						
Total amount of invoices excluded						
(C) Reference payment deadlines used (contractual or statutory deadline – Article L.441-6 or Article L.443-1 of the French Commercial Code)						
Payment deadlines used for the calculation of late payments	Contractual deadlines: 30 days net and within 45 days of the end of the month					

5

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019

Free translation into English of the consolidated financial statements as of December 31, 2019 issued in French, provided solely for the convenience of the English speaking users.

5.1 CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Notes	2019	2018
Revenue	**4, 5.a.**	**3,370.1**	**2,643.4**
Cost of sales	5.b.	(2,208.4)	(1,648.6)
Gross profit		**1,161.7**	**994.8**
Distribution and marketing costs		(301.9)	(249.7)
Research and development expenses		(189.9)	(171.2)
Administrative expenses		(306.4)	(247.5)
Profit from ordinary operating activities		**363.5**	**326.4**
Other operating income	5.c.	5.2	0.3
Other operating expenses	5.c.	(57.5)	(48.3)
Profit from operating activities		**311.2**	**278.4**
Finance income	9.a.	50.8	74.1
Finance costs	9.a.	(90.8)	(112.0)
Net finance costs		**(40.0)**	**(37.9)**
Share of profits in equity-accounted investees	11.a.	-	0.1
Profit before income tax		**271.2**	**240.6**
Income tax expense	10	(54.7)	(51.8)
Net Profit		**216.5**	**188.8**
Attributable to:			
• Ingenico Group SA shareholders		208.0	188.2
• non-controlling interests	11.b.	8.5	0.6
Earnings per share *(in euros)*	**12.b.**		
Net earnings:			
• **basic earnings per share**		**3.35**	**3.05**
• **diluted earnings per share**		**3.29**	**2.99**

5.2 STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	Notes	2019	2018
Profit for the period attributable to Ingenico Group SA shareholders		**208.0**	**188.2**
Translation differences[1]		(6.3)	(56.2)
Gains or losses of derivative hedging instruments[2]	9.c.	(0.5)	(0.9)
Change in fair value of Equity instruments[3]		1.9	1.3
Actuarial gains/(losses) on defined benefit plans[4]	6.c.	(6.2)	3.4
Income tax on gains/(losses) accounted in other comprehensive income		2.9	(0.3)
TOTAL GAINS/LOSSES ACCOUNTED IN OTHER COMPREHENSIVE INCOME AND ATTRIBUTABLE TO INGENICO GROUP SA SHAREHOLDERS[2]		**(8.2)**	**(52.7)**
• Profit for the period and other comprehensive income attributable to Ingenico Group SA shareholders		**199.8**	**135.5**
• Profit for the period and other comprehensive income attributable to non-controlling interests		**6.0**	**0.6**
Translation differences attributable to non-controlling interests		0.0	0.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**205.8**	**136.2**

(in millions of euros)	Notes	2019	2018
Income tax on translation adjustments		1.1	0.6
Income tax on gains or losses on hedging instruments		-	0.2
Income tax on change in fair value of equity instruments		0.2	(0.2)
Income tax on actuarial gains and losses on defined benefit plans		2.9	(0.8)
TAXES ON GAINS/LOSSES ACCOUNTED IN OTHER COMPREHENSIVE INCOME		**4.2**	**(0.3)**

(1) In 2018, translation differences mainly arose from subsidiaries reported in Swedish krona (SEK).

(2) The effective portion of changes in the fair value of interest rate swaps on bank loans and cash flow currency hedges is recognized in “Other comprehensive income”.

(3) In compliance with IFRS 9, the change in fair value of equity instruments recognized in other comprehensive income will not give rise to future recycling in the consolidated income statement.

(4) This amount includes losses on defined benefits plans attributable to Ingenico Group SA shareholders and the impact of the asset ceiling in the UK

5.3 STATEMENT OF FINANCIAL POSITION

Assets

(in millions of euros)	Notes	2019	2018
Goodwill	7.a.	2,800.2	2,490.5
Other intangible assets	7.b.	1,105.0	964.6
Property, plant and equipment	7.c.	186.9	90.3
Investments in equity-accounted investees	11.a.	1.3	7.8
Financial assets		32.1	22.7
Deferred tax assets	10.c.	56.1	53.3
Other non-current assets	5.g.	58.9	36.6
TOTAL NON-CURRENT ASSETS		**4,240.5**	**3,665.9**
Inventories	5.e.	188.1	188.2
Trade and related receivables	5.f.	713.4	651.4
Receivables related to intermediation activities	5.l.	336.4	243.3
Other current assets	5.g.	42.8	38.3
Current tax assets		20.7	35.9
Derivative financial instruments	9.c.	5.7	15.6
Funds related to intermediation activities	5.l.	1,205.5	461.7
Cash and cash equivalents	9.b.	813.8	774.8
TOTAL CURRENT ASSETS		**3,326.4**	**2,409.1**
TOTAL ASSETS		**7,566.9**	**6,075.0**

Equity and liabilities

(in millions of euros)	Notes	2019	2018
Share capital		63.7	63.1
Share premium account		902.3	866.6
Other reserves		1,354.1	990.3
Translation differences		(81.8)	(75.5)
Equity for the period attributable to Ingenico Group SA shareholders	**12.a.**	**2,238.3**	**1,844.6**
Non-controlling interests		**274.6**	**5.6**
TOTAL EQUITY		**2,512.9**	**1,850.2**
Non-current borrowings and long-term debt	9.b.	1,652.7	1,864.4
Provisions for retirement and benefit obligations	6.c.	63.0	21.2
Other long-term provisions	8	21.1	23.2
Deferred tax liabilities	10.c.	222.1	203.6
Other non-current liabilities	5.i.	59.1	58.8
TOTAL NON-CURRENT LIABILITIES		**2,018.0**	**2,171.1**
Short-term loans and borrowings	9.b.	642.6	465.9
Other short-term provisions	8	20.8	15.7
Trade and related payables	5.h.	670.4	626.2
Payables related to intermediation activities	5.l.	1,469.9	665.3
Other current liabilities	5.j.	182.6	252.1
Current tax liabilities	10.d.	44.8	26.5
Derivative financial instruments	9.c.	4.9	2.0
TOTAL CURRENT LIABILITIES		**3,036.0**	**2,053.6**
TOTAL LIABILITIES		**5,054.0**	**4,224.8**
TOTAL EQUITY AND LIABILITIES		**7,566.9**	**6,075.0**

5.4 CONSOLIDATED CASH FLOW STATEMENT

(in millions of euros)	Notes	2019	2018
Profit for the period		216.5	188.8
Adjustments for:			
• Share of profits of equity-accounted investees		-	(0.1)
• Income tax expense/(income)		54.7	51.8
• Depreciation, amortization and provisions		230.5	162.0
• Change in fair value		6.7	(1.0)
• (Gains)/losses on disposal of assets		4.6	0.3
• Net interest costs/(income)		40.2	35.5
• Share-based payment expense(1)		12.3	0.2
Interest paid		(31.8)	(23.9)
Income tax paid		(65.0)	(90.2)
Cash flows from operating activities before change in net working capital		**468.7**	**323.4**
Inventories		2.5	(21.7)
Trade and other receivables		(2.2)	(93.9)
Trade payables and other payables		(2.1)	137.5
Change in net working capital	**5.k.**	**(1.8)**	**21.9**
Working capital of merchants prefinancing(2)		(32.9)	(6.0)
CASH FLOWS FROM OPERATING ACTIVITIES		**434.0**	**339.3**
Acquisition of fixed assets		(136.4)	(117.3)
Proceeds from sale of tangible, intangible and financial assets		1.4	0.7
Proceeds from divestment of investments in equity-accounted investees	3	4.9	-
Acquisition of subsidiaries, net of cash acquired	3	(72.8)	(35.7)
Proceeds from divestment of subsidiaries, net of cash divested		14.7	-
Loans and advances granted and other financial assets		(5.0)	(3.3)
Loan repayments received		1.5	5.8
Dividend income		0.4	0.1
Interest received		8.5	6.7
CASH FLOWS FROM INVESTING ACTIVITIES		**(182.8)**	**(143.0)**

(in millions of euros)	Notes	2019	2018
Proceeds from share capital issues[3]		1.7	-
(Purchase) sale of treasury shares[3]		0.1	(86.8)
Proceeds from loans and borrowings	9.b.	35.0	304.2
Repayment of loans and borrowings	9.b.	(250.1)	(95.5)
Change in the Group's ownership interests in controlled entities[4]		-	(93.1)
Financing of merchant prefinancing[2]		32.4	4.1
Changes in other financial liabilities	9.b.	(30.1)	(0.5)
Effect of financial derivative instruments[3]		0.1	(0.9)
Dividends paid to shareholders[3]		(34.2)	(55.0)
Taxes on financing activities[5]		-	4.4
CASH FLOWS FROM FINANCING ACTIVITIES		**(245.1)**	**(19.1)**
Currency translation effect on cash and bank overdrafts		1.8	(3.1)
CHANGE IN CASH AND CASH EQUIVALENTS		**7.9**	**174.1**
Net cash and cash equivalents at beginning of the year		762.7	588.6
Net cash and cash equivalents at year end		770.6	762.7
Short-term investments and short-term deposits (only for the portion considered as cash equivalents)		189.6	103.0
Cash		624.2	671.8
Bank overdrafts		(43.2)	(12.1)
Total net cash and cash equivalents		**770.6**	**762.7**

(1) In 2019, the share-based payment expense of €12.3 million included €9.3 million paid in equity instruments and €3.1 million paid in cash.

(2) In the scope of its transactional services activity, the Group provides intermediation between merchants, credit card issuers, and end consumers. The expected funds corresponding to the end consumer's payment are recorded as receivables related to intermediation activities whilst funds received and not yet remitted to merchants are recorded as funds related to intermediation activities, i.e. excluded from cash and cash equivalents. The counterparty is a payable due to merchants. The receipt and remittance of these funds are neutral transactions on the Group's Cash Flow Statement and are recorded on the balance sheet as assets and liabilities and presented in the Group's Consolidated Statement of Financial Position.

In the scope of Bambora's activities, some funds happen to be remitted to merchants even before they have been received by the Group, from 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 uses specific and dedicated bank financing with a possible marginal difference. The cash requirement impact and its immediate financing are included in operational activities and in financing transactions on the cash flow statement.

(3) Cash flows from financing activities without effect on gross financial debt (equity items).

(4) Once the interests of non-controlling shareholders in Ingenico Japan Co. Ltd. and Ingenico Holdings Asia Ltd. were repurchased, the liabilities for both put options were extinguished.

(5) Following the invalidation by the French Constitutional Council of the 3% tax surcharge levied on dividends, the tax administration reimbursed a total of €4 million, not including interest, in 2018.

5.5 CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(in millions of euros)	Share capital	Share premium account	Translation reserve	Effective portion of hedging instruments	Treasury shares	Retained earnings and other reserves	Total equity attributable to Ingenico SA Group shareholders	Non-controlling interests	Total equity
Balance at December 31, 2017, restated	**62.4**	**818.0**	**(21.9)**	**0.1**	**(2.7)**	**975.7**	**1,831.6**	**11.0**	**1,842.5**
Adjustments made upon first application of IFRS 9 (net of tax)						(0.6)	(0.6)		(0.6)
Adjusted balance at January 1, 2018	**62.4**	**818.0**	**(21.9)**	**0.1**	**(2.7)**	**975.1**	**1,831.0**	**11.0**	**1,841.9**
Profit for the year 2018						188.2	188.2	0.6	188.8
Other comprehensive income			(56.2)	(0.7)		4.2	(52.7)	0.1	(52.6)
Total comprehensive income			**(56.2)**	**(0.7)**		**192.5**	**135.5**	**0.7**	**136.2**
Dividends paid to shareholders[1]						(48.1)	(48.1)	(6.9)	(55.0)
Stock dividends paid to shareholders: payment of dividend in shares[2]	0.8	48.6				(49.4)			
Treasury shares[3]					(86.1)	(0.5)	(86.6)		(86.6)
Share-based payments and exercise of stock options[4]						5.6	5.6		5.6
Remeasurement of put options						5.9	5.9	0.7	6.6
Accretions[5]			2.6			0.0	2.7	0.1	2.7
Others						(1.4)	(1.4)		(1.4)
Balance at December 31, 2018	**63.1**	**866.6**	**(75.5)**	**(0.6)**	**(88.8)**	**1,079.7**	**1,844.6**	**5.6**	**1,850.2**
Adjustments made upon the first-time application of IFRS 16 (net of tax)						(2.1)	(2.1)	(0.1)	(2.3)
Adjusted balance at January 1, 2019	**63.1**	**866.6**	**(75.5)**	**(0.6)**	**(88.8)**	**1,077.6**	**1,842.5**	**5.5**	**1,847.9**
Profit for the year 2019						208.0	208.0	8.5	216.5
Other comprehensive income			(6.3)	(0.3)		(1.6)	(8.2)	(2.5)	(10.7)
Total comprehensive income			**(6.3)**	**(0.3)**		**206.4**	**199.8**	**6.0**	**205.8**
Dividends paid to shareholders[1]						(33.4)	(33.4)	(0.8)	(34.2)
Stock dividends paid to shareholders[2]	0.6	34.0				(34.6)			
Treasury shares[3]					2.0	(1.2)	0.8		0.8
Share-based payments and exercise of stock options[4]		1.7				9.3	11.0		11.0
Relutions			(0.1)				(0.1)		(0.1)
Change in holdings without loss of control over the assets contributed[5]						218.4	218.4	264.0	482.4
Others						(0.7)	(0.7)		(0.7)
BALANCE AT DECEMBER 31, 2019	**63.7**	**902.3**	**(81.8)**	**(0.9)**	**(86.8)**	**1,441.8**	**2,238.3**	**274.6**	**2,512.9**

2019:
(1) Cash dividend of €1.10 per share distributed on the 7th of July 2019.
(2) Stock dividend financed through incorporation of retained earnings into share capital, scheduled for distribution in July 2019 and corresponding to the issuance of 534,871 new shares.
(3) Movements in the treasury share portfolio are disclosed in Note 12, "Equity of the Parent Company".
(4) Share-based payments:
The increase in retained earnings and other reserves reflects fair value adjustments to free share awards and other instruments recognized each year in Profit from Operating Activities.
The increase in share capital in the share premium account reflect the issuance of new shares to meet obligations to beneficiaries of free share award plans that vested during the year.
(5) Net impact of the business combination of BS Payone with Ingenico Retail assets in Germany, Austria and Switzerland; see Note 7.a. Goodwill.
2018:
(1) Cash dividend of €1.60 per share paid out on June 21, 2018.
(2) Stock dividend financed through incorporation of retained earnings and issuance of 781,413 new shares.
(3) The treasury share portfolio is described in Note 12, "Equity of the Parent Company".
(4) Share-based payments:
The increase in consolidated reserves reflects fair value adjustments to free share awards and other instruments recognized each year in "Profit from operating activities".
The increase in share capital in the share premium account reflects the issuance of new shares to meet obligations to beneficiaries of free share award plans that vested during the financial year.
(5) Acquisition of minority interests in Ingenico Holding Asia Ltd.
2017:
In the consolidated financial statements for the year ended December 31, 2018, the comparative information has been restated for the retrospective impact of the application of IFRS 15.

5.6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 —• Group

These consolidated financial statements present the operations of Ingenico Group SA (hereinafter referred to as "the Company") and its subsidiaries, as well as the Group's share of the profit or loss of jointly controlled entities and entities over which the Group has significant influence (together referred to as "the Group").

Ingenico Group is a global leader in seamless payment services and offers payment solutions across all channels (in-store, mobile, online and cross-channel). Its offering is built around three brands: Ingenico Smart Terminals, Ingenico Payment Services, and Ingenico ePayments.

Ingenico Group SA is a company incorporated under French law and its shares are admitted for trading on the Premier Marché of the Paris Stock Exchange. Its head office is located in Paris.

The consolidated financial statements were approved by the Board of Directors on February 25, 2020. They will be submitted for approval to the shareholders at their Annual General Shareholders' Meeting of June 11, 2020.

NOTE 2 —• Accounting principles and methods

The consolidated financial statements for the 2019 financial year were prepared in accordance with international accounting standards in use by the European Union on December 31, 2019.

These international standards include the International Financial Reporting Standards (IFRS) published 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 Standard Interpretations Committee (IFRIC).

Apart from IFRS 16, Leases, the new standards in effect as of January 1, 2019 and applicable to the Group had no material impact on the consolidated financial statements. They are as follows:

- IFRIC 23, Uncertainty over Income Tax Treatments (Note 2b);
- the Amendment to IFRS 9, Financial Instruments, titled Prepayment Features with Negative Compensation;
- the Amendment to IAS 28, Investments in Associates and Joint Ventures, titled Long-term Interests in Associates and Joint Ventures;
- the Amendment to IAS 19, Employee Benefits, titled Remeasurement on a Plan Amendment, Curtailment or Settlement/Availability of a Refund from a Defined Benefit Plan;
- annual Improvements to IFRS Standards 2015–2017 Cycle.

The Group has not applied in advance the following standards, amendments and interpretations which, as of December 31, 2019, had been issued by the IASB or the IFRS IC (IFRS Interpretations Committee) and adopted by the European Union but whose application was not mandatory as of December 31, 2019. These concern:

- the Amendment to IAS 1 and IAS 8 in regards of “Materiality Practice Statements”;
- changes in the Conceptual Framework for financing reporting;
- amendments to IFRS 3 in regards of the “Definition of a business”.

The Amendment to IFRS 9, IAS 39 and IFRS 7 “Financial Instruments” published by the IASB on September, 2019, as part of the benchmark interest rate reform has been applied in advance.

Basis of preparation

The consolidated financial statements are presented in euros, the Group’s functional currency. Unless otherwise indicated, all amounts are rounded to the nearest hundred thousand euros.

The financial statements were prepared on a historical cost basis, except for the following assets and liabilities, stated at fair value: derivative financial instruments, available for sale financial assets, cash and cash equivalents, and bank overdrafts. Assets and liabilities related to a business combination are measured at fair value at the acquisition date, with the fair value constituting the historical cost in the Group financial statements.

The preparation of these financial statements requires Group management to make assumptions and estimates that may affect the application of the accounting methods, and the reported amounts of assets and liabilities, as well as certain income and expenses for the period. These estimates involve, mainly:

- in respect of revenue recognition, the allocation of revenue in proportion to the value of each specific performance obligation in a multiple-element agreement (Note 5);
- asset impairment tests (Note 7);
- valuation assumptions used to identify intangible assets acquired as part of business combinations;
- expenses related to share-based payments (Note 6);
- determination of the useful lives of intangible assets (Note 7);
- put option debt (Note 5);
- fair value of equity instruments (Note 5);
- assets and liabilities arising from finance lease contracts;
- estimation of provisions, especially for litigation and uncertainties to tax treatments (Note 8);
- the right-of-use assets and lease liabilities (Notes 2a and 7c);
- the assumptions for deferred taxes assets recognitions (Note 10);

Actual results may differ from these estimates under different assumptions or conditions.

The accounting methods set forth below were consistently applied to all the reporting periods presented in the consolidated financial statements.

These accounting methods were uniformly applied by all Group entities.

Translation of financial statements denominated in foreign currencies

The consolidated financial statements are presented in euros.

Assets and liabilities of foreign subsidiaries whose functional currency differs from the Group’s functional currency are translated into euros at the exchange rate in effect on the reporting date, except for shareholders’ equity, which is stated at historical value. Income and expenses of foreign operations are translated into euros at the average rates for the period, except in cases of major fluctuations. Exchange differences resulting from conversions are recognized in other comprehensive income and accumulated in the reserves.

a. Initial application of IFRS 16, Leases

IFRS 16, Leases, replaces IAS 17, and specifies how a reporting entity will recognize, measure, present and disclose leases.

Description of the Group's leasing activities

The Group is solely a lessee, renting buildings for its offices and warehouses in most of the countries in which it operates. The lease conditions are negotiated on an ad hoc basis and thus contain a wide variety of provisions. The Group is also a lessee of data centers, motor vehicles and equipment required to pursue its business operations. The Group's building leases generally have terms of between 1 year and 12 years. For vehicle leases, terms are generally 3 years. The Group did not take into account the useful life of the leasehold improvements in determining the enforceable duration of the contracts, given the low value of the assets considered.

Application of the modified retrospective transition approach

The primary impact of IFRS 16 on the Group's financial statements is that it requires the lessee to use a single model to account for right-of-use assets and lease liabilities under lease contracts. The Group has elected to use the modified retrospective approach. This consists of recognizing the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings for 2019, while measuring any right-of-use asset under a lease at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. Payments on leases where the underlying asset has a value when new of below US$ 5,000 are recognized, as previously, as an expense, in keeping with the standard's pursuit of simplicity. Payments on leases with a term of 12 months or less have not been restated. In transitioning to IFRS 16, for leases previously classified as operating leases under IAS 17, the Group measures the lease liability as the present value of the remaining lease payments, discounted at the interest rate implicit in the lease or at the incremental borrowing rate in the relevant country as of January 1, 2019. To determine whether the Group is reasonably certain to exercise its lease extension options, the Group has assessed its actual lease payments against market rates for comparable leases, and the lease payments that would apply in the event of a lease termination penalties.

As of January 1, 2019, the whole Group had an incremental borrowing rate of 3.2%, determined on the basis of the remaining lease term and the weighted-average rate for its lease liabilities.

Under the modified retrospective approach, the Group has not presented comparative financial information for 2018, considering the impacts of IFRS 16 restatement and all the practical expedients mentioned above have been applied. The accounting standards applied to fiscal year 2018 are thus still in accordance with the principles of IAS 17.

Impact as of January 1, 2019

The Group's application of IFRS 16 entails recognition as of January 1, 2019 of a right-of-use equal to €84.8 million, lease liabilities of €91.8 million, and various other effects (deferred taxes, lease franchise, and incentives) of €4.8 million. Consequently, the initial application of the standard has decreased equity by €2.3 million.

The assets underlying that right-of-use are recognized in property, plant and equipment, with details presented in Note 7, while the lease obligations are recognized in current and non-current borrowings and other financial liabilities, as summarized in Note 9. In the consolidated Cash Flow Statement, cash payments for the principal portion of a lease liability are classified within cash flows from financing activities, whereas cash payments for the interest portion are classified, as previously, within cash flows from operating activities.

The new accounting principles introduced by IFRS 16 are also summarized in Note 7.

Reconciliation of off-balance sheet commitments as of December 31, 2018 with lease obligations as at transition date:

(in millions of euros)

Lease obligations from lease contracts as at December 31, 2018	**146.2**
Discounting effect	(11.2)
Lease obligations after discounting effect	**135.0**
Effect related from contracts excluded from lease obligations as at January, 2019	(30.9)
• Effects related to short term contracts	(10.6)
• Effects related to contract with low value assets	(4.2)
• Effects related to services contracts	(16.1)
Effect related to renewal options not considered and other effects	(12.3)
Lease obligations as at January 1, 2019 upon initial application of IFRS 16	**91.8**

b. Initial application of IFRIC 23, Uncertainty over Income Tax Treatment

The IFRIC Interpretation IFRIC 23, Uncertainty over Income Tax Treatments, is applicable for annual reporting periods beginning on or after January 1, 2019.

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12, Income Taxes, when there is uncertainty over income tax treatments.

A reporting entity should recognize uncertain liabilities and assets as income tax payables/receivables according to the probability that the tax authority will not accept an uncertain tax treatment, without considering the probability of non-detection. To reflect the best estimate as to the effect of that uncertainty, measurement should be based on either the most likely outcome or the probability-weighted average of all possible outcomes.

As of January 1, 2019, the first application of IFRIC 23 has had no material impact on the Group's consolidated financial statements.

NOTE 3 —• Significant events

Completion of the Paymark acquisition

In November 2018, the final condition precedent to the acquisition of Paymark was satisfied, and on January 11, 2019, Ingenico Group completed the acquisition of this New Zealand electronic payment network announced on January 17, 2018 for total consideration of NZ$191 million. Paymark is consolidated within the Retail business.

Creation of Ingenico Payone Holding GmbH

The Group completed the closing of an agreement to merge BS Payone, a Sparkassen-Finanzgruppe subsidiary, with the assets of Ingenico Retail in Germany, Austria and Switzerland on January 8, 2019 after receiving all the regulatory approvals required.

Deutscher Sparkassenverlag has a 48% interest in the new joint venture, renamed Ingenico Payone Holding GmbH, while Ingenico Group has a 52% interest. The entity has accordingly been fully consolidated as of January 1, 2019 in the Group's financial statements within the current Retail business.

Brexit

Since June 2016 and the announcement that the United Kingdom was leaving the European Union, sharp fluctuations in some economic indicators, such as interest rates, the share prices of many British companies, and the sterling exchange rate, were observed. The decrease of the sterling exchange rate marginally impacted the revenue and profit of subsidiaries whose accounting is held in pound sterling.

At December 31, 2019, Brexit did not incur any impairment of assets or restructuring expense to the Group, which continues to follow the discussions between the European Union and the United Kingdom.

NOTE 4 —• Segment reporting

Segments are profit centers whose performance can be fully measured.

The information presented below is based on the management reporting used by the Executive Committee, which is the chief operating decision-maker as defined by IFRS 8.

- **Revenue and profit from ordinary activities by activity and segment**

	2019		
(in millions of euros)	Banks & acquirers	Retail	Consolidated
External revenue	**1,451.1**	**1,919.0**	**3,370.1**
Terminals			1,777.4
Transactions			1,592.7
Profit from ordinary activities	**250.9**	**112.5**	**363.4**

	2018		
(in millions of euros)	Banks & acquirers	Retail	Consolidated
External revenue	**1,304.9**	**1,338.5**	**2,643.4**
Terminals			1,545.7
Transactions			1,097.7
Profit from ordinary activities	**246.5**	**79.9**	**326.4**

In 2019, the revenue generated by the Group's French entities amounted to €239.4 million. It amounted to €259.3 million in 2018.

In 2019, the revenue generated by entities located in the Group's significant countries (Germany, Netherlands) represented a total of €1,177.7 million.

- **Expenses without counterparty in cash**

	2019		
(in millions of euros)	Banks & acquirers	Retail	Consolidated
Depreciation and amortization expenses	46.8	182.5	229.3
Additions to provisions, net of reversals and share-based payments	(7.4)	(6.2)	(13.6)

	2018		
(in millions of euros)	Banks & acquirers	Retail	Consolidated
Depreciation and amortization expenses	26.2	138.8	165.0
Additions to provisions, net of reversals and share-based payments	(0.4)	(2.4)	(2.8)

NOTE 5 —• Operational data

a. Revenue

Sale of payment terminals and similar products

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.

Sale of extended warranty services

The Group offers legal warranties in accordance with the laws and practices applicable in the different countries in which it operates. These warranties are recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Group also offers extended warranties of one to five years which are recorded as service warranties and recognized as specific performance obligations, to which the Group allocates part of the transaction price based on the relative individual selling price. The revenue is then recognized over time based on the time elapsed as from the end of the legal warranty.

Transaction price

To determine the transaction price of the sale of a piece of equipment or a related service, the Group takes into account the impact of variable remuneration, the existence of a financial component and, if applicable, payments made to the customer.

If the consideration in a contract includes a variable amount, the Group estimates the consideration amount it is entitled to in exchange for transferring the goods to the customer. The variable consideration is estimated at the start of the contract and is applicable until the uncertainty has been subsequently resolved. Volume discounts are variable considerations which the Group sometimes offers to its customers on products purchased under certain conditions. These discounts are offset against the amounts payable by the customer on subsequent purchases.

The Group receives advances from its customers for certain services, in particular payments for extended warranties at the start of a contract. These payments constitute an advance from customers containing a material financing component, given the time between the payment and the delivery of the "Extended warranty" performance obligation.

Sale of payment solutions services

Where a third-party is involved in the supply of goods or services, the Group determines whether it is the principal or agent by assessing the nature of the promise to the customer. The Group is the principal in the transaction and recognizes the revenue on a gross basis if it controls the goods and services promised before their transfer to the customer.

In order to provide its service with regard to the acquisition and settlement of bank card payments received by merchants, the Group enters into contracts with third-parties (financial institutions and credit card companies) which are responsible for part of the performance of the operations enabling the proper completion of transactions. This part of the performance is remunerated by way of interchange fees, among other methods. These fees are passed on across the chain of parties involved in the transactions and finally paid by the merchant.

The Group deems that it acts as the principal for the performance of these services, which form a comprehensive service including payment processing, proper completion of the transaction by guaranteeing the receipt thereof, and the payment of the amount into the merchants' bank account. The Group's position in the payment chain is such that it is the principal in the transactions leading to the payment to the merchant of the final consumer's payment. The Group integrates the different steps leading to the fulfillment of this single performance obligation and which include services rendered by third-parties involved in the payment chain, including the issuing bank. There is a transformative link between the different steps insofar as the level and nature of the tasks performed by Ingenico depend on tasks performed and information provided by other third-parties involved in the payment chain.

By fulfilling the promise made to customers to provide a guaranteed payment for the delivery of their goods or services to card bearers, the Group fulfills a performance obligation from the acceptance of the payment to the payment of the funds into the merchant's account. Thus, the Group considers that it is in a position to control the services provided by third-parties before the control of the specified service is finally delivered to the merchant.

Initial non-refundable costs and developments on behalf of customers

In Retail, before the execution of the first transactions, the customer must be included in the Group's IT systems. This activity does not constitute a service obligation distinct from the performance obligation of ensuring a guaranteed payment to merchant clients. The revenue from these non-refundable advances is recognized on a deferred basis until the first transactions are carried out, with the revenue then allocated on a straight-line basis over the duration of the contract with the customer.

Furthermore, a number of applications are sometimes developed beforehand to address the specific needs of customers. The Group considers that the developments undertaken for this purpose do not constitute a specific performance obligation. Hence, revenue from these development contracts are deferred until the conduct of the first transactions, with the revenue then recognized on a straight-line basis over the duration of the contract. The development costs incurred by the Group are capitalized as costs of carrying out the work in the contract until the start of the contract, then amortized on a straight-line basis over the duration of the contract.

The part of the Group's revenue that is recognized under contracts with customers has been broken down by performance obligation category.

(in millions of euros)	2019	2018
Sale of terminals, accessories, transport	1,506.9	1,282.4
Services associated with terminals	270.5	263.4
Payment processing and acquisitions	1,411.9	1,056.0
Processing services	180.8	41.6
TOTAL	**3,370.1**	**2,643.4**

b. Costs by nature

Because the Group presents its income statement by function, this note shows the main operating costs and expenses by nature.

Depreciation and amortization expense and impairment are broken down as follows:

(in millions of euros)	2019	2018
Provisions/(reversals)		
Depreciation and amortization of intangible assets	154.6	129.8
Depreciation and amortization of property, plant and equipment	74.6	35.2
Provision for inventories	1.9	9.3
Impairment for trade receivables	7.7	(12.4)
TOTAL	**238.8**	**161.9**

Provisions for inventory only relate to inventory that is actually held and recognized. The Group has commitments to its suppliers (EMS) on firm price orders of parts or terminals, which do not give rise to inventory. However, when there is a risk of unsold parts or terminals ordered from suppliers, the Group recognizes a provision for risk as described in Note 8 "Other provisions". Upon recognition of the purchase of inventory from EMS, this provision for risk (liability) becomes a provision for inventory (asset) in the balance sheet.

Cost of sales breaks down as follows:

(in millions of euros)	2019	2018
Cost of terminals	(1,322.6)	(877.0)
Cost of services and software	(885.8)	(771.6)
TOTAL COST OF SALES	**(2,208.4)**	**(1,648.6)**

The capitalized portion of development costs is as follows:

(in millions of euros)	2019	2018
Amount of development capitalized	**54.3**	**48.5**
Total R&D expenditure (costs and investment)(1)	244.3	219.7
SHARE OF CAPITALIZED R&D EXPENDITURE *(in %)*	**22%**	**22%**

(1) Net of a €7.1 million French research tax credit and €10.9 million in tax credits of a similar nature that were received outside France and have an equivalent impact on research and development expenses (respectively €5.6 million and €11.1 million in 2018).

The Group's R&D expenses mainly concern the following projects:

- at the head office, development projects for new terminals and operating systems, as well as projects to upgrade terminals that have already been sold;
- service projects related to payments, such as Axis. These are mainly software development expenses;
- at terminal distributor subsidiaries, R&D projects are in place to develop applications installed on terminals, in accordance with local standards and regulations;
- at subsidiaries selling payment services (mainly in Retail), R&D projects are generally aimed at improving the computer systems that run the transaction services. This explains the increase in development activities in 2019, which primarily relate to acquisition services technology.

In accordance with IAS 38, terminal-related R&D expenses may only be capitalized if they apply to the development of new terminals. This is considered new product development, and not for upgrades, maintenance or adjustments of existing products or software.

The following expenses relating to lease contract out of IFRS 16 scope are booked in operating results:

(in millions of euros)	2019
Rent expense relating to short-term leases	(6.4)
Rent expense relating to low-value assets	(2.5)
Rent expense relating to service contracts	(9.7)
TOTAL	**(18.6)**

c. Other operating income and expenses

Other operating income and expenses are one-off by nature, *i.e.* income or expenses that are of an unusual nature and of a significant amount. As such, other operating income and expenses include: gains or losses on the disposal of consolidated subsidiaries or businesses; gains or losses on the disposal of property, plant and equipment and intangible assets; restructuring costs approved by management and publicly announced; litigation expenses; costs associated with business combinations; asset and goodwill impairment; the cost of integrating newly acquired subsidiaries; adjustments to earn-out liabilities related to those acquisitions; and the revaluation to fair value of equity interests held by the Group in an entity acquired as part of a business combination implemented through a step acquisition and considered non-recurring.

Other operating income and expenses are as follows:

(in millions of euros)	2019	2018
Restructuring and business combination costs	(43.9)	(40.3)
Effects from disposed assets and liabilities	(8.7)	-
Others	0.3	(7.7)
TOTAL	**(52.3)**	**(48.0)**

In 2019, other operating income and expenses mainly comprised the costs of €43.9 million incurred in connection with the restructuring of the Group, of which:

- costs of €31.6 million incurred in connection with the internal restructuring of the Group;
- costs of €12.3 million incurred in connection with acquisitions and divestitures.

In 2018, other operating income and expenses mainly comprised the costs of €40.3 million incurred in connection with the restructuring of the Group, of which:

- costs of €34.5 million incurred in connection with the internal restructuring of the Group;
- costs of €5.8 million incurred in connection with acquisitions and divestitures.

d. Reconciliation of financial performance indicators with the consolidated financial statements

The aim of this note is to make the link between the performance indicators used in financial communication and the Group's consolidated financial statements.

Net revenue is equal to Revenue less interchange fees.

EBITDA is not an accounting term; it is a financial metric defined here as profit from ordinary activities before depreciation, amortization and provisions, and before expenses for share-based payments.

EBIT is the equivalent of profit from ordinary activities, adjusted for amortization of the purchase prices allocated to assets acquired in business combinations.

Free cash flow is equal to EBITDA less: cash and other operating income and expenses, changes in working capital requirements, investing activities net of disposals, financial expenses net of financial income, and tax paid.

(in millions of euros)	2019	2018
Revenue	3,370.1	2,643.4
Interchange fees	(474.7)	(323.1)
NET REVENUE	**2,895.4**	**2,320.3**

	2019					
(in millions of euros)	Income statement	Amortization of Purchase Price Allocation	Reconciliation to EBIT	Cost of share-based payment	Other amortization and provision expenses	Reconciliation to EBITDA
REVENUE	**3,370.1**	**-**	**3,370.1**	**-**	**-**	**3,370.1**
Cost of sales	(2,208.4)	33.7	(2,174.7)	1.1	43.7	(2,129.9)
GROSS PROFIT	**1,161.7**					
Distribution and marketing costs	(301.9)	66.8	(235.1)	2.1	4.9	(228.1)
Research and development expenses	(189.9)	-	(189.9)	1.3	46.3	(142.3)
Administrative expenses	(306.4)	-	(306.4)	7.9	35.0	(263.5)
PROFIT FROM ORDINARY ACTIVITIES	**363.5**					
EBIT			**464.0**			
EBITDA						**606.3**

(in millions of euros)	2019 Cash-flow statement	2019 Free cash-flow	2019 Items from CF statement not in FCF
Profit for the period	216.5	216.5	-
Adjustments for:			
• Share of profits of equity-accounted investees	-	-	-
• Income tax expense	54.7	54.7	-
• Depreciation, amortization and provisions	230.5	230.5	-
• Change in fair value	6.7	5.3	1.4
• (Gains)/losses on disposal of assets	4.6	4.6	-
• Net interest costs/(income)	40.2	40.2	-
• Share-based payment expense	12.3	12.3	-
Interest paid	(31.8)	(31.8)	-
Income tax paid	(65.0)	(65.0)	-
Cash flows from operating activities before change in net working capital	**468.7**		
Inventories	2.5	2.5	-
Trade and other receivables	(2.2)	(2.2)	-
Trade payables and other payables	(2.1)	(2.1)	-
Change in net working capital	**(1.8)**	**-**	**-**
Working capital of merchants prefinancing	(32.9)	-	(32.9)
CASH FLOWS FROM OPERATING ACTIVITIES	**434.0**		
Acquisition of fixed assets	(136.4)	(136.4)	-
Proceeds from sale of tangible, intangible and financial assets	1.4	1.4	-
Proceeds from divestment of investments in equity-accounted activities	4.9	-	4.9
Acquisition of subsidiaries, net of cash acquired	(72.8)	-	(72.8)
Disposal of subsidiaries, net of cash disposed of	14.7	-	14.7
Loans and advances granted and other financial assets	(5.0)	-	(5.0)
Loan repayments received	1.5	-	1.5
Dividend income	0.4	-	0.4
Interest received	8.5	8.5	-
CASH FLOWS FROM INVESTING ACTIVITIES	**(182.8)**		
Proceeds from share capital issues	1.7	-	1.7
(Purchase) sale of treasury shares	0.1	-	0.1
Proceeds from loans and borrowings	35.0	-	35.0
Repayment of loans and borrowings	(250.1)	-	(250.1)
Financing of merchant prefinancing	32.4	-	32.4
Changes in other financial liabilities	(30.1)	(29.3)	(0.8)
Effect of financial derivative instruments	0.1	-	0.1
Dividends paid to shareholders	(34.2)	-	(34.2)
CASH FLOWS FROM FINANCING ACTIVITIES	**(245.1)**		
Currency translation effect on cash and bank overdrafts	1.8	-	1.8
CHANGE IN CASH AND CASH EQUIVALENTS	**7.9**		
Free cash-flow		**309.7**	

e. Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined using the weighted average cost method and includes the costs incurred to acquire the inventories and bring them to their existing location and condition. A provision is recorded if the carrying amount exceeds the net realizable value.

(in millions of euros)	2019	2018
Raw materials and consumables	37.3	41.9
Finished products	177.1	170.6
Write-downs on raw materials and consumables	(9.3)	(6.8)
Impairments on finished products	(17.0)	(17.5)
CARRYING AMOUNT	**188.1**	**188.2**

f. Trade and related receivables

Trade and related receivables are recognized initially at fair value and subsequently measured at amortized cost less any impairment losses. In general, the fair value corresponds to the face value, given the quick payment terms, except in the case of finance leases. In compliance with IFRS 9, the Group follows the simplified prospective method and recognizes a provision for credit losses determined on the basis of expected credit losses over the life of the receivables. The Group has thus established impairment methods based on internal and external ratings or on the history of losses, adjusted for prospective factors specific to the debtors and to the economic environment.

DSO (Days Sales Outstanding) is the amount of trade receivables expressed in days' revenue (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

Trade and related receivables break down as follows:

(in millions of euros)	2019	2018
Trade receivables on the sales of goods and services	628.5	591.5
Finance lease receivables	33.3	24.3
Tax receivables other than current income tax	67.4	54.3
Other receivables	26.9	16.1
Impairment for trade receivables	(41.5)	(33.6)
Impairment for finance lease receivables	(0.9)	(0.8)
Impairment for other receivables	(0.3)	(0.4)
TOTAL	**713.4**	**651.4**
DSO	**56**	**65**

The DSO ratio reached 56 days at the end of December 2019 compared to 65 days as of December 2018.

The aging schedule of trade receivables is as follows:

			2019		
			Overdue		
(in millions of euros)	Closing value	Not due	<120 days	120-180 days	>180 days
Trade receivables	628.5	521.3	80.4	11.8	15.0
Depreciations of trade receivables and related accounts	(41.5)	(4.8)	(22.3)	(4.2)	(10.2)
NET	**587.0**	**516.5**	**58.1**	**7.6**	**4.8**

Receivables more than 180 days overdue (amounting to €4.8 million) are primarily attributable to customers of Fujian Landi (€1.4 million). None of these receivables are contentious, and the Group does not expect any difficulty in recovering the amounts due.

	2018				
			Overdue		
(in millions of euros)	Closing value	Not due	<120 days	120-180 days	>180 days
Trade receivables	591.5	488.7	65.9	16.1	20.7
Depreciations of trade receivables and related accounts	(33.6)	(20.0)	(2.2)	(0.4)	(11.0)
NET	**557.9**	**468.7**	**63.7**	**15.7**	**9.7**

g. Other current and non-current assets

As of December 31, 2019, and 2018, other current assets were as follows:

(in millions of euros)	2019	2018
Prepaid expense	23.9	20.0
Contract assets	8.7	7.7
Loans, guarantee instruments and other financial assets	10.2	10.6
TOTAL	**42.8**	**38.3**

Contract assets are capitalized costs on completion of contracts.

As of December 31, 2019, and 2018, other non-current assets were as follows:

(in millions of euros)	2019	2018
Other receivables	1.0	1.6
Finance lease receivables	39.9	23.8
Tax receivables other than current income tax	8.3	8.5
Income tax receivables	7.1	0.6
Prepaid expenses	2.6	2.1
TOTAL	**58.9**	**36.6**

h. Trade and related payables

Trade and related payables are recognized initially at fair value and subsequently measured at amortized cost.

DPO (Days Payables Outstanding) is the amount of trade expressed in days' expenses (on a last-in, first-out basis). The number of days is calculated in accordance with the Gregorian calendar.

(in millions of euros)	2019	2018
Trade payables	449.2	455.3
Other operating liabilities	221.2	170.9
• *of which customer advances*	*21.0*	*6.0*
• *of which other tax liabilities*	*48.2*	*43.4*
• *of which employee-related liabilities*	*152.0*	*121.5*
TOTAL	**670.4**	**626.2**
DPO	**72**	**90**

The DPO ratio reached 72 days at the end of December 2019 compared to 90 days as of December 2018.

i. Other non current-liabilities

(in millions of euros)	2019	2018
Tax, personnel and social security liabilities	17.9	15.5
Contract liabilities	37.9	33.8
Other liabilities	3.3	9.5
TOTAL	**59.1**	**58.8**

The reduction in non-current liabilities is linked primarily to the cancellation of the commitment to purchase non-controlling interests in Ingenico Japan Co.Ltd and the reversal of earn-out debts in relation of past acquisitions made by Bambora.

The contract liabilities come from the subsidiaries distributing terminals for deferred revenues over 1 year on extended warranty.

j. Other current-liabilities

Other current liabilities are broken down as follows:

(in millions of euros)	2019	2018
Contract liabilities	157.2	154.6
Other liabilities	25.5	97.5
TOTAL	**182.6**	**252.1**

This deferred income primarily originates from terminal distribution subsidiaries, for deferred income on sales of warranties, and for goods invoiced but not yet delivered.

At December 31, 2019, other current liabilities encompassed a €4.3 million post-closing compensation to be paid to DSV.

At December 31, 2018, other current liabilities mainly consisted of €89.5 million liability to Paymark vendors.

k. Reconciliation between the balance sheet and changes in working capital requirement

		2019					
Balance sheet *(in millions of euros)*		January 1	Net Change in working capital	Change in cash flows of non-working capital items	Changes in consolidation scope	Translation differences and other movements	December 31
Inventories	**(1)**	**188.2**	**(2.5)**	**-**	**2.1**	**0.4**	**188.1**
Trade and related receivables		651.4	4.9	-	53.7	3.4	713.4
Other non-current assets		36.6	(3.7)	0.6	25.6	(0.2)	58.9
Other current assets		38.3	1.1	(2.9)	3.7	2.6	42.8
Trade and other receivables	**(2)**	**726.3**	**2.3**	**(2.3)**	**83.0**	**5.8**	**815.2**
Trade and related payables		626.2	(14.8)	2.7	54.3	2.0	670.4
Other non-current liabilities		58.8	(1.1)	1.8	-	(0.4)	59.1
Other current liabilities		252.1	13.9	(91.1)	0.5	7.2	182.6
Trade and other creditors	**(3)**	**937.1**	**(2.0)**	**(86.6)**	**54.9**	**8.8**	**912.1**
CHANGE IN WORKING CAPITAL	**-(1)-(2)+(3)**		**(1.8)**				

Balance sheet *(in millions of euros)*		2018 January 1	Net Change in working capital	Change in cash flows of non-working capital items	Changes in consolidation scope	Translation differences and other movements	December 31
Inventories	**(1)**	**170.6**	**21.8**	**-**	**0.4**	**(4.6)**	**188.2**
Trade and related receivables		556.5	95.2	-	2.4	(2.7)	651.4
Other non-current assets		39.4	0.5	(2.0)	-	(1.3)	36.6
Other current assets		45.9	(1.9)	(4.5)	0.4	(1.6)	38.3
Trade and other receivables	**(2)**	**641.8**	**93.8**	**(6.5)**	**2.8**	**(5.6)**	**726.3**
Trade and related payables		510.7	117.9	(2.3)	3.0	(3.1)	626.2
Other non-current liabilities		66.5	8.5	(13.0)	-	(3.2)	58.8
Other current liabilities		243.5	11.1	(7.0)	0.1	4.4	252.1
Trade and other creditors	**(3)**	**820.7**	**137.5**	**(22.3)**	**3.1**	**(1.9)**	**937.1**
CHANGE IN WORKING CAPITAL	**-(1)-(2)+(3)**		**21.9**				

I. Funds, receivables and payables related to intermediation activities

In the scope of its transactional services activity, 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 the 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 asset:

- 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.

The funds cannot be used by the Group to finance its own cash requirements.

In the scope of Bambora's activities, 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 uses a specific and dedicated bank financing with a possible marginal difference. This bank financing is included in the short-term financial loans and borrowings in the balance sheet.

(in millions of euros)	2019	2018
Receivables related to intermediation activities	336.4	243.3
Funds related to intermediation activities	1,205.5	461.7
TOTAL ASSETS RELATED TO INTERMEDIATION ACTIVITIES	**1,541.9**	**705.0**
Payables related to intermediation activities	1,469.9	665.3
Financing of merchant prefinancing	69.8	37.7
TOTAL LIABILITIES RELATED TO INTERMEDIATION ACTIVITIES	**1,539.7**	**703.0**

The increase in the assets and liabilities related to intermediation activities is mainly related to the PayOne combination in 2019.

NOTE 6 —• Employee benefits and executive compensation (related parties)

a. Payroll costs

Payroll costs are broken down as follows:

(in millions of euros)	2019	2018
Wages and salaries	512.6	436.4
Social security contributions	123.5	108.2
Service cost (operating component of retirement expenses)	3.3	2.6
Cost of share-based payments	12.3	0.2
TOTAL	**651.7**	**547.4**

b. Share-based payment expense

Fair value of free shares awarded

The Group has measured the fair value of the goods or services received during the year based on the fair value of the equity instruments granted (share price on the date of award).

Impact on financial statements

The fair value of free share awards is recognized in payroll costs, with a corresponding increase in equity. Fair value is measured at the grant date and is expensed over the vesting period in which the employees acquire the rights definitively. The fair value of the free share award plans granted is measured using standard measurement techniques, which are adapted to the specific characteristics of each plan, with reference to the terms and conditions defined at the grant date (using the Black-Scholes and/or the Monte-Carlo models). The amount recognized as an expense is adjusted to reflect the actual number of shares vested for the portion corresponding to internal performance conditions.

Other share-based payments

The Group may award some of its employees compensation that is indexed to the share price of Ingenico Group SA or to the shares of other Group entities and settled in cash.

These share appreciation rights are measured at fair value. The fair value of the sums payable is recognized as an operating expense over the course of the vesting period and offset by other liabilities. This liability is remeasured at fair value through profit or loss until it is settled.

	2019					
(in number of shares)	Date of the Board of Directors	Options/ Free shares outstanding at January 1	Options/ shares granted during the year	Options exercised/ shares vested during the year	Other movements	Options/ free shares outstanding at December 31
Free share awards	July 29, 2015	46,600	-	(42,200)	(4,400)	-
Free share awards	October 22, 2015	800	-	(800)	-	-
Free share awards	July 29, 2016	14,516	-	-	(14,516)	-
Free share awards	May 10, 2017	9,305	-	-	-	9,305
Joint investment	June 20, 2017	72,690	-	-	(21,490)	51,200
Free share awards	June 20, 2017	19,200	-	-	(6,400)	12,800
Free share awards	August 28, 2017	16,600	-	-	-	16,600
Joint investment	August 28, 2017	18,140	-	-	-	18,140
Free share awards	May 16, 2018	165,364	-	-	(36,000)	129,364
Joint investment	May 16, 2018	226,264	-	-	(87,962)	138,302
Free share awards	June 11, 2019	-	471,361	-	(23,240)	448,121
TOTAL		**589,479**	**471,361**	**(43,000)**	**(194,008)**	**823,832**

		2018				
(in number of shares)	Date of board	Options/ Free shares outstanding at January 1	Options/ shares granted during the year	Options exercised/ shares vested during the year	Other movements	Options/ free shares outstanding at December 31.
Free share awards	October 29, 2014	10,300	-	(9,550)	(750)	-
Joint investment	October 29, 2014	24,160	-	(21,830)	(2,330)	-
Free share awards	July 29, 2015	53,800	-	-	(7,200)	46,600
Free share awards	October 22, 2015	800	-	-	-	800
Free share awards	July 26, 2016	18,610	-	-	(4,094)	14,516
Free share awards	May 10, 2017	23,639	-	-	(14,334)	9,305
Joint investment	June 20, 2017	89,710	-	-	(17,020)	72,690
Free share awards	June 20, 2017	22,400	-	-	(3,200)	19,200
Free share awards	August 28, 2017	18,200	-	-	(1,600)	16,600
Joint investment	August 28, 2017	19,950	-	-	(1,810)	18,140
Free share awards	May 16, 2018	-	192,910	-	(27,546)	165,364
Joint investment	May 16, 2018		226,264			226,264
TOTAL		**281,569**	**419,174**	**(31,380)**	**(79,884)**	**589,479**

In 2019, the Group put in place a free share award plan. Share awards are dependent on continuous service and internal and external performance criteria. The maximum number of free shares to be awarded under this plan is 471,361.

The main features of the compensation plans are described in Section 3 of the Universal Registration Document.

On the basis of the parameters used to calculate the fair value of free shares awarded under free share and joint investment plans and after assessing the internal and external valuation criteria (fulfillment of service conditions and, where applicable, performance conditions), the Group recognized a €9.3 million expense under profit from operating activities in 2019 for equity-settled payments (against €5.6 million in 2018).

A €3.1 million expense was also booked in 2019 for other cash-settled share-based, against €(5.4) million in 2018.

c. Provisions for retirement and benefit obligations

The Group's net obligation in respect of defined-benefit pension plans and other long-term benefits is measured separately for each plan; it is determined by the difference between the discounted present value of the obligation and the fair value of any plan assets.

The discount rate applied is the yield at the reporting date on high-quality corporate bonds with terms consistent with those of the Group's obligations. Calculations are performed by independent actuaries using the projected unit credit method. The amount of the Group's obligation is determined by calculating the amount of future benefits due to employees at retirement and performing an actuarial valuation of the projected future salary levels and the number of years of service of beneficiaries estimated to be part of the plan at the time of retirement.

The Group's entire obligation in respect of defined benefit plans is recognized immediately. Any actuarial gains and losses arising during the period are recognized in other comprehensive income. To determine the return on plan assets, the Group uses the rate applied to determine the discounted present value of the obligation.

There are two categories of retirement benefit plans described as follows:

Defined contribution plans

These plans exist in most European countries in which the Group operates (France, Benelux, Germany, Italy, and Spain) and in the United States and Asia-Pacific countries. Under these plans, Group entities make payments, expensed as incurred, on a regular basis to organizations authorized to manage the retirement plans.

Defined benefit plans

There are two types of defined benefit plans recognized in provisions for retirement benefit obligations:

- unfunded defined benefit plans: under these plans, provisions for retirement benefits are recognized as a liability in the balance sheet under “Provisions for retirement and benefit obligations”;
- funded defined benefit plans. Provisions for retirement benefits are also recognized as a liability in the balance sheet, minus the value of the assets.

The Group recognized the following provisions:

- supplementary pension services (United Kingdom, Germany, Belgium);
- retirement or severance benefits (France, Italy, Turkey, the Netherlands);
- length-of-service bonuses (the Netherlands).

The obligations under these defined benefit plans have been determined by qualified actuaries.

The Group is not under any long-term obligation to provide medical benefits.

Changes in the provisions for retirement benefits and similar commitments break down as follows:

	2019						
	Unfunded plans						
	France	Germany	Italy	Turkey	Netherlands	Other	
(in millions of euros)	Liability	Liability	Liability	Liability	Liability	Liability	Total
At January 1	**9.5**	**5.2**	**3.6**	**0.2**	**0.1**	**2.0**	**20.6**
Change in consolidation scope	-	32.5	-	-	-	-	32.5
Translation differences and other movements	-	-	-	(0.0)	-	(0.2)	(0.2)
Current service cost	0.4	0.9	0.4	0.1	-	1.0	2.8
Interest on obligation	0.2	0.6	0.1	-	-	-	0.9
Benefits paid	(0.2)	(0.5)	(0.8)	(0.1)	-	-	(1.6)
Revaluation of the net defined benefit liability	0.5	7.4	0.2	0.2	-	(0.3)	8.0
At December 31	**10.5**	**46.1**	**3.4**	**0.4**	**0.1**	**2.5**	**63.0**

	2019					2019
	Funded plans					Total
	United Kingdom		Belgium			
(in millions of euros)	Liability	Assets	Liability	Assets	Total	Balance sheet provision
At January 1	**30.2**	**(29.7)**	**3.0**	**(2.9)**	**0.6**	**21.2**
Change in consolidation scope	-	-	-	-	-	32.5
Translation differences and other movements	1.7	(1.7)	0.0	-	(0.0)	(0.3)
Return on plan assets	-	-	-	(0.1)	(0.1)	(0.1)
Current service cost	-	-	0.5	-	0.5	3.3
Interest on obligation	0.9	(0.9)	0.1	-	0.1	1.0
Benefits paid	(0.6)	0.6	(0.1)	0.1	(0.0)	(1.7)
Contributions to pension funds	-	(2.1)	-	(0.5)	(2.6)	(2.6)
Revaluation of the net defined benefit liability	3.9	(4.1)	0.2	0.0	0.0	8.0
Financial coverage	**36.1**	**(37.9)**	**3.7**	**(3.4)**	**(1.5)**	**61.5**
Effect of assets ceiling	-	1.5	-	-	1.5	1.5
At December 31	**36.1**	**(36.4)**	**3.7**	**(3.4)**	**(0.0)**	**63.0**

	2018						
	Unfunded plans						
	France	Germany	Italy	Turkey	Netherlands	Other	
(in millions of euros)	Liability	Liability	Liability	Liability	Liability	Liability	Total
At January 1	**10.2**	**5.2**	**3.4**	**0.3**	**0.1**	**1.5**	**20.7**
Change in consolidation scope	-	-	-	-	-	-	-
Translation differences and other movements	-	-	-	0.0	-	(0.1)	(0.1)
Current service cost	1.2	0.0	0.4	0.0	-	0.3	1.9
Interest on obligation	-	0.1	0.1	0.0	-	0.2	0.3
Benefits paid	(0.4)	(0.0)	(0.2)	(0.1)	-	(0.0)	(0.8)
Revaluation of the net defined benefit liability	(1.5)	(0.0)	(0.0)	0.0	-	0.1	(1.4)
At December 31	**9.5**	**5.2**	**3.6**	**0.2**	**0.1**	**2.0**	**20.6**

	2018					2018
	Funded plans					Total
	United Kingdom		Belgium			
(in millions of euros)	Liability	Assets	Liability	Assets	Total	Balance sheet provision
At January 1	**33.7**	**(29.4)**	**2.5**	**(2.4)**	**4.4**	**25.1**
Change in consolidation scope	-	-	-	-	-	-
Translation differences and other movements	(0.2)	0.2	0.0	-	0.0	(0.1)
Return on plan assets	-	(0.7)	-	(0.1)	(0.8)	(0.8)
Current service cost	0.1	-	0.6	-	0.7	2.6
Interest on obligation	0.8	-	0.1	-	0.9	1.2
Benefits paid	(0.4)	0.4	(0.1)	0.1	(0.0)	(0.9)
Contributions to pension funds	-	(2.0)	-	(0.6)	(2.6)	(2.6)
Revaluation of the net defined benefit liability	(3.8)	1.8	(0.1)	0.1	(2.0)	(3.4)
At December 31	**30.2**	**(29.7)**	**3.0**	**(2.9)**	**0.6**	**21.2**

● Breakdown of fair value of plan assets

Plan assets do not include any land or buildings occupied by Group entities or any other assets used by the Group. There are no separately identifiable assets.

Plan investments	In millions of euros	In %	Yield
Shares	27	63%	14.70%
Bonds	11	26%	14.70%
Other	5	11%	14.70%
TOTAL	**43**	**100%**	**14.70%**

● Main actuarial assumptions

	Eurozone	Turkey	United Kingdom
Discount rate 2019	1.05%	11.25%	2.00%
Expected future salary increases 2019	2,1% - 3,25%	14.00%	N/A
Discount rate 2018	1.70%	14.50%	2.80%
Expected future salary increases 2018	2,1% - 3,25%	7.00%	N/A

Best estimate of plan contributions payable in 2020

The expected contributions for the fiscal year ending December 31, 2020, are broken down as follows:

(in millions of euros)	
Employer contributions	0.7
Plan participants' contributions	0.1

Sensitivity of assets and liabilities to the main assumptions as of December 31, 2019

A 0.25% increase or decrease in the discount rate or the inflation rate for all plans would not significantly change the value of the net liabilities.

In the United Kingdom, if a fund is liquidated, any surplus of assets over liabilities is returned to the Group.

d. Related party transactions

Total compensation and benefits paid to the Executive Committee in 2019 and 2018 are broken down as follows:

(in millions of euros)	2019	2018
Total compensation and benefits[(1)]	6.2	15.9
Free share awards[(2)]	3.1	1.9
TOTAL	**9.2**	**17.8**

(1) Includes all compensation and to be paid during the period (gross salary, including fixed and variable compensation, bonuses and benefits in kind, incentive programs and profit-sharing, and severance costs).

(2) Expense recorded in the income statement under free share award and joint investment plans.

This Note only shows the compensation and benefits paid to members of the Executive Committee, whose role is to set Group strategy, create the conditions to implement that strategy and ensure that objectives are met. The Executive Committee is chaired by the Chief Executive Officer.

As of December 31, 2019, the Executive Committee had nine members, versus seven members as of December 31, 2018.

NOTE 7 —• Property, plant and equipment and intangible assets

Goodwill impairment tests

The Group tests the net carrying amount of goodwill for impairment. This procedure, chiefly based on the discounted cash flow method, consists of measuring the recoverable amount of each Cash-generating Unit (CGU) that generates independent cash flows. Impairment tests are performed every year on November 30 and whenever there is any indication that an asset may be impaired. Therefore, any material event observed during December would prompt fresh impairment tests to be conducted.

In accordance with IAS 36, the recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Only in those rare cases in which a recent transaction involving the assets under consideration provides relevant and reliable information does the Group opt for calculating fair value less costs to sell. In most other cases, the Group calculates value in use by estimating cash flow projections based on existing business forecasts for a five-year period, including growth and profitability rates based on reasonable assumptions.

Impairment of other non-financial assets

The carrying amounts of the Group's other non-financial assets are reviewed at each reporting date to determine whether there is any indication that an asset may be impaired. If such indication exists, the asset's recoverable amount is estimated.

For intangible assets that are not yet available for use, the recoverable amount is estimated annually or as soon as there is any indication of impairment.

At each reporting date, the Group assesses whether any events and circumstances indicate that an asset may be impaired. Such events and circumstances include significant changes adversely affecting the economic environment or the Group's assumptions and objectives (budget monitoring, three-year plan, cost-benefit studies, market share, order book, etc.). If such events and circumstances are identified, the asset's recoverable amount is re-estimated.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, estimated by discounting the expected future cash flows, based on a discount rate of the CGU to which the asset is assigned.

If the carrying amount exceeds its recoverable amount, an impairment is recognized in operating income.

a. Goodwill

Determination of goodwill

On the acquisition date, goodwill is measured as the difference between:

- • the fair value of the consideration transferred (earn-outs included), plus the amount of any non-controlling interests in the acquiree and, in a business combination completed in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, revalued accordingly in the income statement under "Other operating income and expenses"; and
- • the total net assets on the acquisition date, measured at fair value.

All other costs directly attributable to the acquisition are expensed as incurred in "Other operating income and expenses".

Adjustments to contingent considerations amounts (earn-out, deferred payment) are measured at their fair value on the date of acquisition. Subsequently, those adjustments are measured at fair value at each future reporting date. Any revaluation is recognized in profit or loss in "Other operating income and expenses".

The Group is made up of five CGUs:

- B&A – North America;
- B&A – Latin America;
- B&A – Europe and Middle East;
- B&A – Asia-Pacific region & China;
- Retail.

Impairment tests are performed for each CGU or for groups of CGUs as defined above.

Breakdown of goodwill

The following tables show the breakdown of goodwill among CGUs:

(in millions of euros)	2019	2018
Net value at January 1	**2,490.5**	**2,478.5**
Investments	380.3	123.3
Translation differences	(1.4)	(39.4)
Disposal	(20.0)	-
Adjustments	(49.2)	(71.9)
NET VALUE AT DECEMBER 31	**2,800.2**	**2,490.5**

	2019			2018		
Cash generating units *(in millions of euros)*	**Gross amount**	**Total impairment losses**	**Net carrying amount**	**Gross amount**	**Total impairment losses**	**Net carrying amount**
B&A NAR	62.7	(12.6)	50.1	62.4	(12.6)	49.8
B&A LAR	12.4	-	12.4	12.4	-	12.4
B&A EMEA	158.1	(0.9)	157.2	177.0	(1.0)	176.0
B&A APAC	209.1	0.3	209.4	207.6	-	207.6
Retail	2,380.4	(9.3)	2,371.1	2,054.0	(9.3)	2,044.7
TOTAL	**2,822.8**	**(22.6)**	**2,800.2**	**2,513.4**	**(22.9)**	**2,490.5**

Investments and adjustments during the period

As described in Note 3, Significant Events, Paymark is a New Zealand electronic payment network. Base on acquisition of last year, the provisional goodwill of €111.4 million recognized has been adjusted with the real value introduced. The group performed the purchase price allocation of Paymark which lead to a €(52.2) million adjustment and recognized a technology asset valued at €17.9 million, reflecting the connectivity capabilities offered by Paymark to its customers and partners, and portfolios of customer relationships valued at €34.3 million. The valuation method used in this case was the relief from royalties and excess earnings method. The deferred tax liability recognized amounted to €12,2 million. Goodwill net of the purchase price allocation amounted to €62.5 million.

The creation of Payone Holding GmbH last year involved two concurrent transactions: 48% of Ingenico Retail's assets in Germany, Austria and Switzerland were divested at cost to non-controlling shareholders without loss of control; and the Group recognized at fair value the assets contributed by BS Payone, of which the Group owns 52%. BS Payone fair value as of 31, 2019, December is about €483.0 million. The Group recognized in its balance sheet a €10.4 million IT platform technologies, and €114.8 million portfolios of customer relationships. The valuation method used in this case was the relief from royalties and excess earnings method. A €40.0 million deferred tax liability has been recognized. This resulted in a €380.3 million provisional goodwill, while the net impact of the sale of the assets contributed by the Group and the fair value valuation of the assets received has been recognized in the Group's consolidated reserves as the line item "Change in holdings in subsidiaries without loss of control over the assets contributed."

This residual goodwill mainly includes:

- the workforce;
- the ability to generate new business opportunities by winning new customers and developing new offers;
- synergies expected from integration with the rest of the Group;
- the ability to safeguard the existing assets.

In October 2019, the divestment of the Healthcare France activity led to the release of a €20 million goodwill from the CGU retail.

Goodwill impairment tests

The main assumptions used to calculate the recoverable value of goodwill are as follows:

	2019					
Cash-generating units	**B&A NAR**	**B&A LAR**	**B&A EMEA**	**B&A APAC**	**Retail**	**Total**
Net carrying amount of goodwill *(in millions of euros)*	50.1	12.4	157.2	209.4	2,371.1	2,800.2
Valuation method for the cash generating unit	Value in use	Value in use	Value in use	Value in use	Value in use	
Number of years over which cash flows are estimated	5	5	5	5	5	
Long-term growth rate	1.1%	1.0%	1.0%	1.0%	2.3%	
Weighted average cost of capital used at December 31	8.4%	13.6%	8.7%	9.0%	7.3%	

	2018					
Cash-generating units	**B&A NAR**	**B&A LAR**	**B&A EMEA**	**B&A APAC**	**Retail**	**Total**
Net carrying amount of goodwill *(in millions of euros)*	49.8	12.4	176.0	207.6	2,044.7	2,490.5
Valuation method for the cash generating unit	Value in use	Value in use	Value in use	Value in use	Value in use	
Number of years over which cash flows are estimated	5	5	5	5	5	
Long-term growth rate	1.1%	1.0%	1.0%	1.1%	2.3%	
Weighted average cost of capital used at December 31	7.9%	13.3%	8.2%	8.8%	7.0%	

Goodwill impairment tests were conducted based on the carrying amounts on November 30, 2019. No material event likely to change the relevance of these tests has been observed since then.

The assumptions concerning growth rates and weighted average cost of capital (WACC) used in the determination of the recoverable amounts of all CGUs have been reassessed in the light of changes in global market information.

It should be emphasized that the long-term growth rates used by the Group do not exceed those of its business sector.

The weighted average cost of share capital is a long-term rate. The movements in the discount rates stem from changes in the three underlying components: the risk-free rate, the risk premium, and the volatility of Ingenico's share price in relation to the sectoral index (*beta*). Furthermore, applying a discount rate before tax to pre-tax cash flows would have led to a similar valuation of the CGUs.

Sensitivity tests show that a 50-base-point increase in the discount rate would not lead to impairment.

Finally, a sensitivity analysis that combines a number of key parameters, namely the discount rate and the long-term growth rate, has shown that, under all reasonable changes in assumptions, there is no probable scenario in which the recoverable amount of a CGU would be less than its carrying amount.

Sensitivity of recoverable amounts

At December 31, 2019, the recoverable amounts of all CGUs were significantly higher than their carrying amounts. This precluded the need to increase the discount rate, decrease the perpetuity growth rate or reduce the cash flow required to ensure that their respective recoverable amounts were equal to their respective carrying amounts.

Business forecasts are based on the business plans developed by the management of the various CGUs. Group financial management has reviewed these plans, performing stress tests on the assumptions as to long-term growth and discount rates.

b. Other intangible assets

Research and development

Research costs are expensed as incurred.

Development costs for the production of new or substantially improved products and processes are recognized as an asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset, the Group's intention to complete it, and the Group's ability to use it or sell it;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the Group's ability to reliably measure the expenditure attributable to the intangible asset during its development;
- how the intangible asset will generate probable future economic benefits (through the existence of a market for the intangible asset or the usefulness of the intangible asset for internal use).

Other development costs, net of subsidies, are expensed as incurred.

Other intangible assets

Licenses, customer portfolios, software, technological assets, trademarks, and user rights over which the Group has full ownership, as well as software developed for internal use that has a positive, lasting and measurable impact on future results are capitalized and amortized over their estimated useful lives.

Other intangible assets also include assets in progress. Those include R&D projects in progress, such as in the B&A business for the development of new products and in the Retail business for improvements to IT payment platforms.

Subsequent expenditure

Subsequent expenditure on intangible assets is only capitalized when it increases the future economic benefits of the specific asset to which it relates. Otherwise, it is expensed as incurred.

Depreciation and amortization

The straight-line method is used to amortize intangible assets over their estimated useful lives.

Intangible assets under development are not amortized but are tested annually for impairment. Other intangible assets are amortized from the date they are available for use.

The estimated useful lives are as follows:

• capitalized development costs	3 to 10 years;
• licenses	3 years*;
• customer relationships	5 to 20 years;
• other intangible assets	5 years*.

* *Or contractual term.*

Impairment losses

An impairment loss recognized in respect of a non-current asset can be reversed if its recoverable amount again becomes greater than its net carrying amount.

	2019				
(in millions of euros)	Licenses, trademarks, technology	Development expenses (incurred internally)	Customer relationships	Other intangible assets	Total
GROSS AMOUNT					
At January 1	**446.5**	**186.2**	**791.0**	**23.3**	**1,447.0**
Investments	20.3	58.7	-	26.9	105.9
Divestitures	(7.0)	(14.7)	-	(0.2)	(21.9)
Changes in consolidation scope	78.5	28.9	140.7	5.9	254.0
Translation differences	(3.4)	0.8	0.2	0.1	(2.3)
Reclassifications and others	10.0	10.1	-	(19.9)	0.2
At December 31	**544.9**	**270.0**	**931.9**	**36.1**	**1,782.9**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
At January 1	**(169.9)**	**(89.8)**	**(217.1)**	**(5.6)**	**(482.4)**
Depreciation and amortization	(53.1)	(35.4)	(65.7)	(0.4)	(154.6)
Divestitures and impairment losses	6.2	14.5	-	0.0	20.7
Changes in consolidation scope	(41.0)	(19.9)	4.5	(0.4)	(56.8)
Translation differences	0.0	(0.5)	(0.9)	0.4	(1.4)
Reclassifications and others	7.6	(11.7)	-	0.3	(3.4)
At December 31	**(250.2)**	**(142.8)**	**(279.2)**	**(5.7)**	**(677.9)**
NET CARRYING AMOUNT					
At January 1	**276.6**	**96.4**	**573.9**	**17.7**	**964.6**
At December 31	**294.7**	**127.2**	**652.7**	**30.4**	**1,105.0**

	2018				
(in millions of euros)	Licenses, trademarks, technology	Development expenses (incurred internally)	Customer relationships	Other intangible assets	Total
GROSS AMOUNT					
At January 1	**426.5**	**132.0**	**746.8**	**18.4**	**1,323.7**
Investments	8.2	54.8	-	14.6	77.6
Divestitures	(12.6)	(1.0)	-	(0.3)	(13.9)
Changes in consolidation scope	28.0	-	58.3	(3.3)	83.0
Translation differences	(9.8)	(0.1)	(14.1)	(0.2)	(24.2)
Reclassifications and others	6.2	0.5	0.0	(5.9)	0.8
At December 31	**446.5**	**186.2**	**791.0**	**23.3**	**1,447.0**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
At January 1	**(134.5)**	**(65.0)**	**(161.3)**	**(5.4)**	**(366.2)**
Depreciation and amortization	(49.3)	(23.9)	(56.3)	(0.3)	(129.8)
Divestitures and impairment losses	12.6	0.8	-	0.1	13.5
Translation differences	0.5	0.0	0.5	0.1	1.1
Reclassifications and others	0.8	(1.7)	(0.0)	(0.1)	(1.0)
At December 31	**(169.9)**	**(89.8)**	**(217.1)**	**(5.6)**	**(482.4)**
NET CARRYING AMOUNT					
At January 1	**292.0**	**67.0**	**585.5**	**13.0**	**957.5**
At December 31	**276.6**	**96.4**	**573.9**	**17.7**	**964.6**

At December 31, 2019, as at December 31, 2018, there was no indication of impairment of intangible assets. The Group takes the following main indicators of impairment into account:

- sales prospects for products whose development costs have been capitalized;
- changes in customer portfolio;
- obsolescence or abandonment of internally developed software.

Allocation of goodwill on assets of acquired companies

	Carrying amount at December 31, 2019							
(in millions of euros)	Paymark (2019)	PayOne (2019)	Bambora (2017)	GlobalCollect (2014)	Ogone (2013)	Easycash (2009)	Others	Total
Hardware and software technology	16.3	8.9	155.1	44.0	-	-	7.4	231.7
Long-term customer contracts	29.6	113.3	240.3	217.6	10.7	6.6	34.7	652.7
Brand names	-	-	8.9	-	-	-	(0.0)	8.9
TOTAL IDENTIFIED AND ALLOCATED ASSETS	**45.9**	**122.2**	**404.3**	**261.6**	**10.7**	**6.6**	**42.1**	**893.3**
Amortization for the period	(6.2)	(9.6)	(46.6)	(24.0)	(4.1)	(4.1)	(6.1)	(100.7)

c. Property, plant and equipment

Assets owned by the Group

Property, plant, and equipment are stated at cost, less any accumulated depreciation and impairment losses.

When components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The replacement cost of a component is immediately capitalized under Property, plant and equipment if it is probable that the future economic benefits arising from the asset will flow to the Group and its cost can be reliably measured. All routine maintenance and repair costs are expensed as incurred.

The terminals recognized as property, plant and equipment are terminals leased to merchants under operating leases as defined in IAS 17.

Gains or losses on disposals are recognized in “Profit from operating activities – Other operating income and expenses” if they are unusual and significant.

Depreciation and amortization

Depreciation is computed using the straight-line method over the estimated useful life of each type of item. The useful lives and residual values of property, plant and equipment are reviewed and adjusted where necessary at each reporting date.

Land is not depreciated. The estimated useful lives are as follows:

- building improvements 5-10 years*;
- equipment 3-5 years*;
- vehicles 4-5 years;
- terminals 4-5 years;
- furniture, fittings, office and IT equipment 3-10 years*.

* *Or the contractual term of the lease.*

	2019					
(in millions of euros)	Land and buildings	Plant and equipment	Leased terminals	IT equipment	Others	Total
GROSS AMOUNT						
At January 1	**29.2**	**63.2**	**37.5**	**113.7**	**28.1**	**271.8**
Investments	2.1	4.2	9.5	9.1	4.6	29.5
Divestitures	(0.7)	(1.2)	(2.5)	(12.9)	(6.7)	(24.0)
Changes in consolidation scope	2.3	-	9.2	30.3	0.3	42.1
Translation differences	0.4	(0.1)	0.2	0.4	0.3	1.2
Other movements	(2.6)	2.2	(0.3)	(6.6)	2.6	(4.7)
At December 31	**30.7**	**68.3**	**53.6**	**134.0**	**29.2**	**315.8**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
At January 1	**(15.5)**	**(46.2)**	**(20.2)**	**(80.1)**	**(19.4)**	**(181.4)**
Depreciation and amortization	(3.2)	(8.8)	(14.0)	(16.3)	(2.9)	(45.2)
Divestitures and impairment losses	0.7	0.1	2.3	13.1	6.2	22.4
Changes in consolidation scope	(1.6)	-	(4.2)	(23.0)	(0.2)	(29.0)
Translation differences	(0.2)	0.1	(0.3)	(0.4)	(0.1)	(0.9)
Other movements	4.8	(1.2)	2.1	4.7	(2.2)	8.2
At December 31	**(15.0)**	**(56.0)**	**(34.2)**	**(102.0)**	**(18.6)**	**(225.9)**
NET CARRYING AMOUNT						
At January 1	**13.7**	**17.0**	**17.3**	**33.6**	**8.7**	**90.3**
At December 31	**15.7**	**12.3**	**19.3**	**32.0**	**10.6**	**89.9**

	2018					
(in millions of euros)	Land and buildings	Plant and equipment	Leased terminals	IT equipment	Others	Total
GROSS AMOUNT						
At January 1	**23.6**	**56.5**	**33.3**	**100.5**	**27.5**	**241.4**
Investments	6.6	7.9	6.3	14.3	4.0	39.0
Divestitures	(0.7)	(0.7)	(2.5)	(1.2)	(1.8)	(6.9)
Changes in consolidation scope	-	-	0.8	0.2	0.0	1.0
Translation differences	(0.2)	(0.8)	0.1	(0.8)	(0.1)	(1.8)
Other movements	(0.1)	0.3	(0.5)	0.7	(1.5)	(1.1)
At December 31	**29.2**	**63.2**	**37.5**	**113.7**	**28.1**	**271.7**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES						
At January 1	**(13.1)**	**(39.9)**	**(15.5)**	**(67.0)**	**(17.6)**	**(153.1)**
Depreciation and amortization	(3.7)	(7.2)	(6.6)	(14.5)	(3.2)	(35.2)
Divestitures and impairment losses	0.6	0.4	2.5	(1.0)	1.4	3.9
Changes in consolidation scope	-	-	(0.8)	(0.2)	(0.0)	(1.0)
Translation differences	0.1	0.5	(0.1)	0.4	0.1	1.0
Other movements	0.6	(0.0)	0.3	2.2	(0.1)	3.0
At December 31	**(15.5)**	**(46.2)**	**(20.2)**	**(80.1)**	**(19.4)**	**(181.4)**
NET CARRYING AMOUNT						
At January 1	**10.5**	**16.6**	**17.8**	**33.5**	**9.9**	**88.3**
At December 31	**13.7**	**17.0**	**17.3**	**33.7**	**8.7**	**90.3**

Right-of-use assets under IFRS 16

At inception of any contract, the Group assesses whether the contract is or contains an operating lease. This assessment requires a certain degree of judgment to determine whether a specifically identified asset is the subject of the contract, whether the contract gives the Group the right to obtain substantially all the economic benefits from use of the asset and the right to direct its use.

The Group recognizes a right-of-use and a corresponding lease liability at the lease commencement date, except in the case of short-term and low-value leases, which are recorded on a straight-line basis in profit or loss over the life of the lease.

The lease liability is initially measured at an amount equal to the present value of the lease payments that are not yet paid, using a discount rate that is the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses an incremental borrowing rate specific to the relevant country in accordance with the lease conditions and in the currency used in the lease. Lease payments may include both fixed payments and payments related to extension options or purchase options. The lease liability is then recognized at amortized cost using the effective interest method and remeasured (with a corresponding adjustment to the carrying amount of the right-of-use) in the event that the amount of future lease payments has changed through renegotiation.

The right-of-use initially includes the initial lease liability, plus any initial direct costs incurred by the Group and any restoration obligations it may have, minus any rent incentives granted by the lessor.

The right-of-use is depreciated over the lease term or its estimated useful life, whichever is shorter.

The enforceable duration identified for each contract is the maximum period for which the lessee can benefit from right to use the asset. It corresponds to the pending term which the contract is not terminated by the only possible renewals to the contract to the principal exclusivity of the lessee.

For each contract, within this binding period, and to determine the certain reasonable duration of the location, the lease term may be limited by taking into account early exit options based on economic criteria relating to assets leased.

The assessment criteria are based on the quality of the assets (location, the existence of significant developments, return on the underlying asset…), the specifics of the market (the existence of alternative solutions…) and contracts (costs termination of the contract, renewal and acquisition option, etc.

As required by IAS 36, the Group performs an impairment test if there is any indication that the asset may be impaired, as it would with the assets it owns outright.

	2019				
(in millions of euros)	Land and buildings	Plant and equipment	IT equipment	Others	Total
GROSS AMOUNT					
At January 1					
Initial application of IFRS 16	**161.4**	**-**	**5.5**	**5.5**	**172.4**
Investments	15.7	0.3	0.6	9.8	26.4
Divestitures	(12.1)	(0.0)	(0.7)	(5.2)	(18.0)
Changes in consolidation scope	16.5	0.0	-	1.4	17.9
Translation differences	0.2	0.0	0.0	(0.0)	0.2
Other movements	(0.1)	-	(1.0)	(0.9)	(2.0)
At December 31	**181.6**	**0.3**	**4.4**	**10.6**	**196.9**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
At January 1					
Initial application of IFRS 16	**(80.1)**	**-**	**(3.4)**	**(4.1)**	**(87.6)**
Depreciation and amortization	(23.5)	(0.1)	(1.3)	(4.5)	(29.4)
Divestitures and impairment losses	12.3	0.0	0.7	5.4	18.4
Changes in consolidation scope	(1.6)	(0.0)	-	(0.8)	(2.4)
Translation differences	(0.1)	-	(0.0)	0.0	(0.1)
Other movements	0.0	-	0.9	0.3	1.2
At December 31	**(93.0)**	**(0.1)**	**(3.1)**	**(3.7)**	**(99.9)**
NET CARRYING AMOUNT	-	-	-	-	-
At January 1	-	-	-	-	-
At December 31	**88.6**	**0.2**	**1.3**	**6.9**	**97.0**

NOTE 8 —• Other provisions

Provisions

Provisions are recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Litigation and claims

Provisions for litigation and claims are recognized when the Group has a current obligation in respect of litigation in progress, administrative inquiries, disputed proceedings and other claims arising from past events not yet settled, and when it is probable that an outflow of economic benefits, which can be reliably estimated, will be required to settle the obligation. The Group obtains legal advice to assess the probability of the outcomes and to measure the provisions for litigation and claims.

Restructuring

A provision for restructuring is recognized when the Group has approved a formal and detailed restructuring plan and has:

- either commenced the restructuring;
- or has publicly announced the plan.

Provisions are not recognized for future operating costs.

Warranties

A provision for warranties is recognized when the underlying goods or services are sold.

The provision is based on historical warranty data.

Supplier inventory buyback commitments

A provision for commitments to buy back inventory from suppliers is recognized to cover the risk that components held by suppliers may become obsolete and the risk that supplies may exceed planned output.

A provision for the full value of components declared obsolete is recognized. The Group estimates excess supplies by comparing the procurement plan with the production plan.

Product quality risk

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

Onerous contracts

A provision for onerous contracts is recognized when the expected economic benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Warranties

The sale of terminals is usually accompanied by a 12-month warranty. The liability provision for warranties on the balance sheet reflects the costs expected by the Group to meet its terminal repair obligations. This statistical calculation is based on historical data. Increases in provisions for warranties may therefore reflect one of two causes:

- growth of sales accompanied by warranties; or
- an adjustment to the provision's calculation.

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 favor, or in which the amount of the damages awarded proved to be lower than originally estimated.

Uncertainty over income tax treatments

During fiscal year 2019 and previous years, Group companies were subject to tax audits and, on occasion, correction proposals. The financial consequences of such additional tax adjustments are recognized as liabilities for the amounts that have been identified and accepted or are considered likely to result in an outflow of resources which can be reliably estimated.

The Group periodically reviews the assessment of this risk as audits or litigations progress and is of the opinion that there are no ongoing audits that will have a material impact on its financial position or liquidity.

Tax disputes in Brazil

The tax assessment procedures in respect of a Brazilian subsidiary are still in progress. They relate to the ICMS tax, and the sum in question amounted to approximately €65 million as of December 31, 2019 (covering principal, interest and penalties from 2004 to 2009). The "Tax War" pitting Brazilian states against one another affected Ingenico as well as a large number of foreign and domestic companies. The tax authorities of the State of Sao Paulo have contested the deduction by Ingenico do Brasil of a portion of the ICMS tax on the sales invoices of one of its suppliers on the grounds that the State of Minas Gerais, in which the supplier operates, had granted the supplier a tax concession that violates federal law. In June 2019, the taxation authority of the state of Sao Paulo issued a resolution on the measures that taxpayers must take to benefit from an amnesty. Based on an analysis of the risks involved and on the criteria set out in IAS 37, no provision has been recognized in the consolidated financial statements as at December 31, 2019.

(in millions of euros)	Balance at January 1, 2019	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Other movements	Balance at December 31, 2019
Provisions for warranties	16.5	0.2	-	10.7	(10.5)	-	0.0	16.9
Provisions for litigation and claims	8.2	(0.0)	1.1	1.5	(1.6)	(0.2)	(0.3)	8.9
Provisions for restructuring	2.3	-	-	0.6	(1.7)	-	-	1.2
Others	11.9	0.1	-	7.8	(1.9)	(3.1)	0.1	14.9
TOTAL OTHER PROVISIONS	**38.9**	**0.3**	**1.1**	**20.6**	**(15.7)**	**(3.3)**	**(0.2)**	**41.9**

(in millions of euros)	Balance at January 1, 2018	Translation differences	Changes in consolidation scope	Additions	Reversals of amounts used	Reversal of unused amounts	Other movements	Balance at December 31, 2018
Provisions for warranties	16.0	(0.2)	0.2	11.3	(10.8)	-	(0.1)	16.5
Provisions for litigation and claims	6.1	(0.1)	-	2.3	(0.1)	-	0.0	8.2
Provisions for restructuring	4.3	(0.1)	-	3.6	(5.5)	-	-	2.3
Others	17.0	(0.0)	-	3.8	(3.2)	(3.9)	(1.7)	11.9
TOTAL OTHER PROVISIONS	**43.4**	**(0.4)**	**0.2**	**21.0**	**(19.6)**	**(3.9)**	**(1.8)**	**38.9**

(in millions of euros)	2019	2018
Supplier inventory buyback commitments	6.1	4.5
Product quality risk	5.9	4.0
Customer sales indemnities	1.0	1.7
Other expenses	1.9	1.7
TOTAL OTHER PROVISIONS	**14.9**	**11.9**

NOTE 9 —• Financing and financial instruments

a. Net finance costs

(in millions of euros)	2019	2018[1]
Interest expense on financial liabilities at amortized cost and bond loan	(39.9)	(36.7)
Interest expense on finance lease contracts	-	(0.0)
Total interest expense	**(39.9)**	**(36.7)**
Income from cash and cash equivalents	4.1	2.9
Interest income on finance lease contracts	4.4	4.0
Net interest expense	**(31.4)**	**(29.8)**
Foreign exchange gains	37.4	66.4
Foreign exchange losses	(40.9)	(69.4)
Foreign exchange gains and losses, net	**(3.5)**	**(3.0)**
Financial component of retirement expenses and the cost of other post-employment benefits	(1.0)	(0.4)
Gains/(losses) on equity interests	0.3	0.1
Other financial income	4.6	0.9
Other financial expenses	(9.1)	(5.5)
Other financial income and expenses, net	**(5.2)**	**(4.9)**
Net finance costs	**(40.0)**	**(37.9)**
TOTAL FINANCIAL INCOME	**50.8**	**74.1**
TOTAL FINANCIAL EXPENSES	**(90.8)**	**(112.0)**

(1) *As allowed by IFRS, the Group has not presented comparative financial information for 2018, considering the impacts of IFRS 16 restatement and all the practical expedients mentioned above have been applied. The accounting standards applied to fiscal year 2018 are described in note 2.a. The interest expenses on lease contracts are presented as "other financial expenses", with the interest based on rent leases.*

Interest expenses on borrowings of €39.9 million are linked to loans described in note 9.b. relate to net financial debt.:

- interest expense relating to the OCEANE convertible bond issue amounts to €11.2 million;
- interest expense relating to the bond issued in 2014 and the embedded swap amounts to €8.9 million (including the amortization of the debt issuance costs);
- interest expense relating to the bond issued in September 2017 amounts to €10.5 million (including the amortization of the debt issuance costs);
- interest expense relating to bank loans amounts to €7.7 million (including the amortization of syndicated credit costs, the commitment fee) and private investments;
- commercial paper, because of the negative rates, generates income rather than interest expense;
- forward points for €2.0 million.

Income from cash and cash equivalents (€4.1 million) primarily comes from investments made in India, Brazil and China.

Interest income on finance lease contracts (where the Group is the lessor) mainly concerned Ingenico Payment Services GmbH, Ingenico France SAS, and Ingenico Italia SpA.

The foreign exchange loss of €3.5 million is the result of foreign exchange gains and losses following the revaluation of loans and borrowings as well as on revaluations of the related derivative hedging instruments and ineffective portion of hedges.

Other financial income and expenses include, in particular, the impacts related to the financing component of extended guarantees for €4.4 million, late-payment interest receivable in connection with delays relating to a tax dispute in Brazil for an income of €3.0 million, factoring expenses for €0.5 million, charges relating to retirement commitments (see Note 6.c "Employee benefits"), and interest expenses related to the lease liability for €3.6 million.

Net finance costs in 2018 are broken down as follows:

Interest expenses on borrowings of €36.7 million are related to the loans described in paragraph 9.b relating to net financial debt:

- interest expense relating to the OCEANE convertible bond issue amounts to €10.9 million;
- interest expense relating to the bond issued in 2014 and the embedded swap amounts to €8.8 million;
- interest expense relating to the bond issued in September 2017 amounts to €10.5 million;
- interest expense relating to the bank loans (of which the credit facility for merchant prefinancing), including the amortization of syndicated credit costs and the commitment fee, and contracted private investments amount to €7.0 million;
- commercial paper, because of the negative rates, generates income rather than interest expense.

Income from cash and cash equivalents (€2.9 million) primarily comes from investments made in China, India, and Brazil.

Interest income on finance lease contracts (where the Group is the lessor) mainly concerned Payone GmbH, Ingenico France SAS, and Ingenico Italia SpA.

The foreign exchange loss of €3.0 million is the result of foreign exchange gains and losses following the revaluation of loans and borrowings as well as on revaluations of the related derivative hedging instruments.

Other financial income and expenses include, in particular, late-payment interest receivable in connection with delays relating to a tax dispute in Brazil, factoring expenses for €1.0 million and charges relating to retirement commitments (see Note 6.c "Employee benefits").

b. Net financial debt

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, together with short-term, highly liquid investments that are easily convertible to a known amount of cash, which are subject to an insignificant risk of changes in value and that have a short maturity.

Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

Financial liabilities

The Group's financial liabilities consist primarily of current and non-current bank borrowings and a convertible bond issue. In accordance with IFRS 9, the former are recognized at amortized cost and the latter is accounted for as a compound financial instrument.

Borrowings at amortized cost

Borrowings are initially recognized at fair value less any directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method.

(in millions of euros)	2019	2018
Bond issues	1,049.0	1,051.0
"OCEANE" convertible bond issue	470.1	458.9
Other financial liabilities	55.4	106.3
Bank borrowings	0.1	248.1
Finance lease obligations	-	0.1
Long term borrowings and long-term debt	**1,574.6**	**1,864.4**
Commercial papers	440.0	405.0
Bank overdrafts	43.2	12.1
Other financial liabilities	54.5	1.3
Bank and similar borrowings	-	-
Interest accrued but not due	8.9	9.6
Finance lease obligations	-	0.1
Short-term loans and borrowings	**546.6**	**428.2**
GROSS FINANCIAL DEBT	**2,121.2**	**2,292.6**

(in millions of euros)	2019	2,018
Cash	624.2	671.8
Marketable securities and short-term deposits	189.6	103.0
Cash and cash equivalents	**813.8**	**774.8**
NET FINANCIAL DEBT	**1,307.4**	**1,517.8**

Short-term loans and borrowings exclude the credit facility for merchant prefinancing. The amount of this facility which had been used at December 31, 2019, and December 31, 2018, totaled €69.8 million and €37.7 million, respectively. It does not include the current and non-current lease liabilities arising on the Group's adoption of IFRS 16, which as of December 31, 2019 were €26.1 million and €78.1 million respectively.

The total amount of lease recognized in the cash-flow statement amounted to €32.9 million as of December 31, 2019.

Net financial debt excludes the financing of merchant pre-financing. In fact, this credit facility does not finance general Group requirements but only relates to Bambora's intermediation activities. Some funds may be remitted to merchants even before they have been received by the Group, from credit card issuers. The duration of this merchant pre-financing is generally one or two days. To avoid drawing on its cash to provide this upfront remittance to merchants, the Group uses a specific and dedicated bank financing. The counterparties of this bank debt are the funds receivable from card issuers, for which the risk of default is extremely limited.

The lease liabilities related to IFRS 16 are also excluded from the financial debt.

As of December 31, 2019, long-term and short-term borrowings and bond debt amounted to €2,121.2 million, including:

- €596.4 million in respect of the bond issued in September 2017;
- €452.6 million in respect of a bond issued in May 2014;
- €470.1 million in respect of an OCEANE convertible bond issued on June 26, 2015;
- €105.0 million in respect of private investments contracted in December 2017 and May 2018;
- €440.0 million in respect of commercial papers. In May 2018, the Group increased the ceiling of its commercial paper program from €500 million to €750 million.

At December 31, 2018, long-term and short-term borrowings and bond debt amounted to €2,292.6 million, with €458.9 million relating to the OCEANE convertible bond, €595.6 million relating to the bond issued in 2017, €455.4 million relating to the bond issued in 2014, and €405.0 million in respect of commercial papers, €248.1 million relating to bank loan activated in March 2018.

Bond issues

On September 13, 2017, the Group issued a bond maturing on September 13, 2024. The par value of the bond was €600 million, or 6,000 bonds with a nominal value of €100,000 each. The bonds carry an annual coupon of 1.625%. The debt was recognized at amortized cost. Issuance costs are amortized in profit or loss over the life of the bond.

On May 20, 2014, the Group issued a bond maturing on May 20, 2021. The par value of the bond was €450 million, or 4,500 bonds with a nominal value of €100,000 each. The bonds carry an annual coupon of 2.5%. The debt was recognized at amortized cost. Issuance costs are amortized in profit or loss over the life of the bond.

Convertible bond issue

On June 26, 2015 the Group completed a new issue of OCEANE bonds, which are convertible into and/or exchangeable for new or existing Ingenico shares, maturing on June 26, 2022 (ISIN: FR0012817542). The par value of the bond was €500 million, or 2,904,443 bonds with a nominal value of €172.15 each.

This OCEANE bond is classified as a compound financial instrument and, as such, falls within the scope of IAS 32, which requires separate accounting in the balance sheet of the equity component (the holder's call option to convert the bonds into shares) and of the liability component (the contractual arrangement to deliver cash).

The fair value of the debt and the portion allocated to equity is calculated as of the OCEANE's issue date, June 26, 2015.

The fair value of the recognized liability classified as long-term debt is calculated using the average market rate for a straight bond. The difference between the nominal value and the fair value of the bond was recognized in equity under "Retained earnings and other reserves", net of deferred tax.

The OCEANE is a zero-coupon bond. The average market rate for a bond of equivalent maturity at issuance would have been 2.31%. The fair value of the liability component was €422.7 million upon issuance and the fair value of the equity component amounted to €73.3 million, after deduction of the issuer's call option and issuance costs (€4.1 million prorated between the liability and equity components).

After deduction of issuance costs and reclassification of the equity component of the bonds, the effective interest rate is 2.41%.

The Group partially hedged its obligation to deliver treasury shares and, therefore, the potential dilution of the OCEANE bonds in the event of a conversion, by buying 1,500,000 call options in November 2016.

On December 31, 2019 the conversion rate was 1.009 shares for one bond.

Bank borrowings

On July 6, 2018, the Group renegotiated its syndicated credit facility of €750 million, exercising both of its one-year extension options, thus extending the maturity to July 29, 2023. This facility is not subject to any covenant. Early redemption is possible at the initiative of Ingenico, or of the lenders in certain usual circumstances. The loan has a variable interest rate based on Euribor (1-6 months) plus margin. At the end of December 2019, as at the end of December 2018, the syndicated credit facility remained unused.

The €250 million loan subscribed by the Group which was activated on March 14, 2018, for a maturity of three years has been fully reimbursed on July 19, 2019.

Other financial liabilities

In December 2017, the Group contracted a private investment in an amount of €50 million, with a maturity of three years, at a fixed rate of 0.647%.

In May 2018, the Group subscribed to two private placements in an amount of €25 million and €30 million, with a maturity of seven years, at a fixed rate of 1.677%.

Bank overdrafts

Bank overdrafts totaled €43.2 million, of which €11.6 million were attributed to Payone GmbH and €27.0 million were attributed to Ingenico Terminals.

Maturity of financial debt

(in millions of euros)	2019			
	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
"OCEANE" convertible bond issue	470.1	-	470.1	-
Bond issue	1,049.0	-	1,049.0	-
Bank borrowings	0.1	-	-	0.1
Bank overdrafts	43.2	43.2	-	-
Commercial papers and other financial liabilities	549.9	494.6	0.4	55.0
Accrued interest on borrowings	8.9	8.9	-	-
GROSS FINANCIAL DEBT	**2,121.2**	**546.6**	**1,519.5**	**55.1**
Lease obligations (IFRS 16)	104.2	26.1	0.3	77.8

(in millions of euros)	2018			
	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
"OCEANE" convertible bond issue	458.9	-	458.9	-
Bond issue	1,051.1	-	455.5	595.6
Bank borrowings	248.1	-	248.1	-
Financial Leases obligations	0.2	0.1	0.1	-
Bank overdrafts	12.1	12.1	-	-
Commercial papers and other financial liabilities	512.6	406.3	51.4	54.9
Accrued interest on borrowings	9.6	9.6	-	-
GROSS FINANCIAL DEBT	**2,292.6**	**428.1**	**1,214.0**	**650.5**

Breakdown by currency

98% of this debt, mainly raised in euros, is held by Ingenico Group SA.

(in millions of euros)	2019	2018
Euro	2,095.7	2,288.4
US Dollar	23.2	1.4
Other currencies	2.2	2.9
GROSS FINANCIAL DEBT	**2,121.2**	**2,292.6**

Changes in financial borrowings and debt

(in millions of euros)	
BALANCE AT JANUARY 1, 2018	**2,066.8**
Net issuing of commercial papers	(95.0)
Issuing of financial debts	304.2
Repayments of bank loans and other financial debts	(1.4)
CHANGES IN FINANCIAL DEBTS WITH AN EFFECT ON THE CASH FLOW STATEMENT	**207.8**
Capitalized interest	12.4
Net change on bank overdrafts	4.8
Change in fair value	(1.3)
Changes in consolidation scope	-
Translation differences and other variations	2.2
BALANCE AT DECEMBER 31, 2018	**2,292.6**
Net issuing of commercial papers	35.0
Issuing of bond loan	-
Issuing of other financial debts	-
Repayments of bank loans and other financial debts	(250.1)
CHANGES IN FINANCIAL DEBTS WITH AN EFFECT ON THE CASH FLOW STATEMENT	**(215.1)**
Capitalized interest	13.4
Net change on bank overdrafts	31.1
Change in fair value	(2.4)
Changes in consolidation scope	-
Translation differences and other variations	1.6
BALANCE AT DECEMBER 31, 2019	**2,121.2**

In 2019, the Group issued and redeemed commercial paper for a net amount of €35 million. The Group has also reimbursed the bank loan contracted in 2018 for €250 million.

The application of IFRS 16 has an impact of €104.2 million.

Changes in fair value relate to the bond issued in 2014 and embedded swaps.

c. 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 other comprehensive income (OCI) for the period.

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

Fair value of derivative instruments at the reporting date

(in millions of euros)	2019	2018
Interest rate derivative instruments		
Current assets	4.4	6.6
Current liabilities	-	-
Foreign exchange derivative instruments		**-**
Current assets	1.3	8.9
Current liabilities	(4.9)	(2.0)
TOTAL	**0.8**	**13.6**

Breakdown of instruments by hedging policy

	Balance at January 1, 2019	Balance at December 31, 2019		
(in millions of euros)	Fair value of the derivative financial instruments	Variation through net income	Variation through equity	Fair value of the derivative financial instruments
Instruments designated as cash flow hedges				
Foreign exchange forward contracts	0.3	-	(0.8)	(0.5)
Foreign exchange options	0.1	-	(0.2)	(0.1)
Instruments not designated as cash flow hedges				
Foreign exchange forward contracts	0.6	-	(0.4)	0.2
Foreign exchange options	0.1	-	(0.1)	-
Foreign exchange swaps	5.9	(9.1)	-	(3.2)
Interest rate swaps	6.6	(2.2)	-	4.4
TOTAL	**13.6**	**(11.3)**	**(1.5)**	**0.8**

	Balance at January 1, 2018	Balance at December 31, 2018		
(in millions of euros)	Fair value of the derivative financial instruments	Variation through net income	Variation through equity	Fair value of the derivative financial instruments
Instruments designated as cash flow hedges				
Foreign exchange forward contracts	0.0	-	0.3	0.3
Foreign exchange options	0.0	-	0.1	0.1
Foreign exchange swaps	(0.0)	-	0.0	-
Instruments not designated as cash flow hedges				
Foreign exchange forward contracts	-	0.8	(0.2)	0.6
Foreign exchange options	(0.0)	0.1	0.0	0.1
Foreign exchange swaps	(2.2)	8.4	(0.3)	5.9
Interest rate swaps	7.9	(1.2)	-	6.6
TOTAL	**5.6**	**8.1**	**(0.1)**	**13.6**

Changes in the fair value of ineffective hedging instruments or the ineffective portions of effective hedging instruments are directly recognized in net financial income and expenses. For foreign exchange hedges, these changes mainly reflect the effect of interest rate differentials between the currency of the hedged items and the euro.

In 2014, the Group put in place an interest rate swap for 50% of the nominal value of the bond issued in 2014, *i.e.* €225 million, with a seven-year life. This swap turns part of the Group's fixed-rate exposure into variable-rate exposure. This hedge is recognized as a fair value hedge, and changes in the fair value of the derivative are recognized in the income statement, as are changes in the fair value of its underlying asset.

None of the Group's derivatives contracts contain compensation clauses for both 2019 and 2018.

d. Financial assets and liabilities classified by accounting category

	2019					
Asset and liability categories *(in millions of euros)*	Assets/ liabilities measured at fair value through the income statement	Assets and Liabilities at amortized cost	Assets/ liabilities measured at fair value through non-recyclable OCI	Derivative financial instruments designated for future cash flow hedges	Total net carrying amount	Fair value of the asset or liability category
Financial assets	-	6.4	25.6	-	32.1	32.1
Other non-current assets	-	40.7	-	-	40.7	40.7
Trade and other current receivables	-	657.6	-	-	657.6	657.6
Cash and cash equivalents	813.8	-	-	-	813.8	813.8
Receivables related to intermediation activities	-	336.4	-	-	336.4	336.4
Funds related to intermediation activities	1,205.5	-	-	-	1,205.5	1,205.5
Derivative financial instruments	5.4	-	-	0.3	5.7	5.7
TOTAL FINANCIAL ASSETS	**2,024.7**	**1,041.1**	**25.6**	**0.3**	**3,091.8**	**3,091.8**
«OCEANE» Convertible bond issue[1]	-	470.1	-	-	470.1	486.9
Bond issues	-	1,049.0	-	-	1,049.0	1,070.8
Long-term loans	-	55.5	-	-	55.5	55.5
Other non-current liabilities	0.6	118.7	-	-	119.3	119.3
Short-term borrowings	-	546.6	-	-	546.6	546.6
Financing of merchant prefinancing	-	69.8	-	-	69.8	69.8
Trade payables and other current liabilities	-	674.8	4.3	-	679.2	679.2
Payables related to intermediation activities	-	1,469.9	-	-	1,469.9	1,469.9
Derivative financial instruments	4.0	-	-	0.9	4.9	4.9
TOTAL FINANCIAL LIABILITIES	**4.6**	**4,454.1**	**4.3**	**0.9**	**4,464.3**	**4,502.9**

	2018					
Asset and liability categories *(in millions of euros)*	**Assets/ liabilities measured at fair value through the income statement**	**Assets and Liabilities at amortized cost**	**Assets/ liabilities measured at fair value through non-recyclable OCI**	**Derivative financial instruments designated for future cash flow hedges**	**Total net carrying amount**	**Fair value of the asset or liability category**
Financial assets	-	4.3	18.4	-	22.7	22.7
Other non-current assets	-	25.2	-	-	25.2	25.2
Trade and other current receivables	-	613.1	-	-	613.1	613.1
Cash and cash equivalents	774.8	-	-	-	774.8	774.8
Receivables related to intermediation activities	-	243.3	-	-	243.3	243.3
Funds related to intermediation activities	461.7	-	-	-	461.7	461.7
Derivative financial instruments	14.8	-	-	0.8	15.6	15.6
TOTAL FINANCIAL ASSETS	**1,251.2**	**885.9**	**18.4**	**0.8**	**2,156.3**	**2,156.3**
«OCEANE» Convertible bond issue(1)	-	458.9	-	-	458.9	469.6
Bond issue	-	1,051.0	-	-	1,051.0	1,009.8
Long-term loans	-	354.5	-	-	354.5	354.5
Other non-current liabilities	7.0	36.3	-	-	43.3	43.3
Short-term borrowings	-	428.2	-	-	428.2	428.2
Financing of merchant prefinancing	-	37.7	-	-	37.7	37.7
Trade payables and other current liabilities	1.3	622.1	89.1	-	712.4	712.4
Payables related to intermediation activities	-	665.3	-	-	665.3	665.3
Derivative financial instruments	1.9	-	-	0.1	2.0	2.0
TOTAL FINANCIAL LIABILITIES	**10.1**	**3,654.0**	**89.1**	**0.1**	**3,753.3**	**3,722.8**

(1) The fair value of the OCEANE bond encompasses both its liability component and its equity component.

The fair value of bonds and convertible bonds corresponds to their market value (as quoted on December 31, 2019 and 2018).

Fair value hierarchy

The objective criteria used to analyze financial instruments by valuation method are based on the definition of fair value levels under IFRS 13.

The asset and liability categories carried at fair value subsequent to their initial recognition are:

- assets and liabilities measured at fair value through the income statement and equity;
- available-for-sale assets;
- derivative financial instruments designated as cash flow hedges.

The fair value hierarchy is as follows:

- level 1: inputs used are quoted (non-adjusted) prices in active markets for identical assets or liabilities;
- level 2: inputs used are inputs other than quoted market prices, as in Level 1, that are observable for the asset or liability, either directly, by reference to market prices or indirectly, by reference to inputs derived from quoted market prices;
- level 3: inputs relating to assets or liabilities that are not based on observable market inputs (unobservable inputs).

These assets and liabilities can correspond to any of the three levels of fair value set out in the tables below for 2019 and 2018. The Group did not make any transfers between levels from 2018 to 2019.

	2019			
(in millions of euros)	Total	Level 1	Level 2	Level 3
Financial assets	25.6	-	-	25.6
Derivative financial instruments[(1)]	5.7	-	5.7	-
Funds related to intermediation activities	1,205.5	1,205.5	-	-
Cash and cash equivalents	813.8	813.8	-	-
TOTAL FINANCIAL ASSETS	**2,050.7**	**2,019.3**	**5.8**	**25.6**
Other non-current liabilities	0.6	-	-	0.6
Other current liabilities	4.3	-	-	4.3
Derivative financial instruments[(1)]	4.9	-	4.9	-
TOTAL FINANCIAL LIABILITIES	**9.8**	**-**	**4.9**	**4.9**

	2018			
(in millions of euros)	Total	Level 1	Level 2	Level 3
Financial assets	18.4			18.4
Derivative financial instruments[(1)]	15.6	-	15.6	-
Funds related to intermediation activities	461.7	461.7	-	-
Cash and cash equivalents	774.8	774.8	-	-
TOTAL FINANCIAL ASSETS	**1,270.4**	**1,236.5**	**15.6**	**18.4**
Other non-current liabilities	7.0	-	-	7.0
Other current liabilities	90.4	-	-	90.4
Derivative financial instruments[(1)]	2.0	-	2.0	-
TOTAL FINANCIAL LIABILITIES	**99.3**	**-**	**2.0**	**97.4**

(1) *Derivative financial instruments are assets and liabilities, measured at fair value through the income statement or derivative instruments designated as cash flow hedges.*

The Level 2 financial assets and liabilities are recognized according to their category: derivative financial instruments are valued at their fair value, borrowings are recognized at amortized cost, and other assets and liabilities reflect their contractual value.

Other Level 3 current and non-current liabilities include put option liabilities relating to non-controlling shareholders. These liabilities are recognized at their fair value. They are valued primarily from the business plan provided by the subsidiaries, in conjunction with the contractual definition; each contract that binds the Group to the non-controlling shareholder is specific. Definitions of this calculation may include, for example, cash flow projections or results.

At the end of 2018, other Level 3 liabilities included a liability towards Paymark sellers. Other non-current liabilities also include earn-out debts, *i.e.* earn-outs to be paid in the context of past acquisitions made by Bambora.

e. Financial risk management

Liquidity and counterparty risk

Liquidity risk is managed at Group level by the Treasury Department. This centralized approach makes it possible to use cash surpluses generated in one part of the Group to cover cash needs elsewhere.

The Group's financing policy is to ensure sufficient liquidity available at any time to meet the Group's investment and operating cash requirements, while maintaining a satisfactory relationship between its assets and liabilities in terms of maturities, currencies, and interest rates.

Financial assets

Counterparty risk is the risk of financial loss for the Group arising from failure by one of its customers or counterparties to a financial instrument to meet its contractual obligations. This risk could arise principally from trade receivables, investments and bank counterparties.

The carrying amount of the Group's financial assets at the end of the period represents the Group's maximum exposure to credit risk. The Group's maximum exposure as of December 31, 2019 is as follows:

(in millions of euros)	2019	2018
Cash and cash equivalents	813.8	774.8
Funds related to intermediation activities	1,205.5	461.7
Financial assets	32.1	22.7
Trade receivables on the sales of goods and services	587.0	557.9
Finance lease receivables	72.3	47.2
Other current receivables	22.9	13.5
Receivables related to intermediation activities	336.4	243.3
Other current assets	11.8	10.6
Other non-current assets	7.9	1.4
Derivative financial instruments (assets)	5.7	15.6
TOTAL	**3,095.5**	**2,148.7**

To manage counterparty risk with respect to trade receivables, an impairment loss may be recognized for the entire amount or for a part of the amount of said receivables, reflecting the probability of collection.

Credit risk is monitored at Group level by Group Credit Management. The Group monitors terms of payment at its subsidiaries on a monthly basis and makes a provision for any receivables that are fully or partially non-recoverable. To protect against credit risk and reduce its exposure to non-payment, the Group determines the credit risk for each customer, and fixes specific credit limits and payment terms. The Group ensures that warranties are provided in sensitive countries. Such warranties may be in the form of notified or confirmed letters of credit.

Further information on trade receivables and their impairment can be found in Note 5.e, "Trade and related receivables".

The growth of transactional services exposes the Group to a counterparty risk in the case where a merchant defaults and might not be able to honor the service sold to consumers. In this situation, the Group might have to repay certain payments made by consumers, with no certainty of being able to recover these advances from the merchant concerned. This risk is commonly called "chargeback" and arises in particular when online merchants go bankrupt.

The Group has developed a methodology for detailed analysis of the risks associated with each type of service it offers in order to improve risk monitoring and be able, if necessary, to calibrate the warranties demanded of counterparties more effectively. The primary purpose of this approach is to limit the impact of counterparty risk on the Group.

Lastly, as part of its online payment services, the Group, primarily through Global Collect Services, Bambora AB, and Payone GmbH, provides intermediation services between buyers, credit card issuers, and merchants. Funds held on behalf of merchants correspond to the cash surpluses that the Group holds when the amounts received from credit card issuers in respect of purchases made precede the obligation to pay the merchants. Deposits are also made by merchants at the start of, or during the course of, the customer relationship with the Group.

At Global Collect Services, all funds received on behalf of merchants or entrusted to the Group are isolated in a Dutch foundation that ring-fences them and protects buyers from any insolvency of Global Collect Services. Through this mechanism, registered and supervised by the Dutch central bank, the funds may not, under any circumstances, be distributed to founders and are only available for payment to merchants.

It should also be noted that, on the one hand, the payment cycle for these activities is short, as credit card issuers or consumers remit funds to the Group and the Group pays merchants within a period of no more than two weeks, and, on the other hand, almost all amounts are collected from credit card issuers and consumers prior to the obligation to pay merchants, which thus entails the recognition of funds collected as assets (receivables associated with intermediation activities and funds associated with intermediation activities), offset by an equivalent debt included in liabilities (payables associated with intermediation activities) (see Note 5.l. "Funds, receivables and payables related to intermediation activities").

Financial liabilities

The Group's ability to service its debt depends on its business performance and on its capacity to generate adequate cash from operations.

If future cash flow proves to be insufficient, the Group might be obliged to:

- issue debt securities or new shares;
- restructure or refinance all or part of its debt;
- reduce or delay new investments;
- dispose of assets.

The Group has performed a specific review of its liquidity risk, and has concluded that it can repay its debt as it falls due.

It should be noted that the Group has:

- the ability to generate significant recurring cash flows for its investment requirements (cf. Consolidated cash flow statements);
- undrawn credit facilities of €750 million;
- a debt ratio (Net Financial Debt/EBITDA) of 2,2.

The maturities of the Group's financial liabilities as of December 31, 2019 were as follows:

	2019				
(in millions of euros)	Carrying amount	Contractual cash flow(1)	Less than 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
«OCEANE» Convertible bond issue	470.1	500.0	-	500.0	-
Bond issues	1,049.0	1,121.3	21.0	1,100.3	-
Bank borrowings	0.1	0.1	-	-	0.1
Lease obligations	0.2	0.2	0.1	0.1	-
Commercial papers and other financial liabilities	593.0	598.9	538.9	4.0	56.0
Financing of merchant prefinancing	69.8	69.8	69.8	-	-
Trade payables and other current liabilities	670.4	670.4	670.4	-	-
Payables related to intermediation activities	1,469.9	1,469.9	1,469.9	-	-
Other non-current liabilities	59.1	59.1	59.1	-	-
TOTAL	**4,381.6**	**4,489.7**	**2,829.2**	**1,604.4**	**56.1**
Derivative financial liabilities					
Exchange rate instruments	(3.6)	(3.6)	(3.6)	-	-
Interest rate instruments	4.4	4.4	4.4	-	-
TOTAL	**0.8**	**0.8**	**0.8**	**-**	**-**

(1) Nominal and interest.

The Group believes it has only limited exposure to bank counterparty risk, because its banks are of premium standing.

The Group's financial liabilities and their maturities are described in Note 9.b, "Net financial debt".

The maturities of the Group's financial liabilities as of December 31, 2018 were as follows:

	2018				
(in millions of euros)	Carrying amount	Contractual cash flow(1)	Less than 1 year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
«OCEANE» Convertible bond issue	458.9	500.0	-	500.0	-
Bond issues	1,059.3	1,142.3	21.0	511.5	609.8
Bank borrowings	248.1	251.3	1.3	250.0	-
Commercial papers and other financial liabilities	525.0	532.8	419.9	56.0	56.9
Bank overdrafts	-	-	-	-	-
Financing of merchant prefinancing	37.7	37.7	37.7	-	-
Trade payables and other current liabilities	626.2	626.2	626.2	-	-
Payables related to intermediation activities	665.3	665.3	665.3	-	-
Other non-current liabilities	58.8	58.8	58.8	-	-
TOTAL	**3,679.2**	**3,814.3**	**1,830.1**	**1,317.5**	**666.6**
Derivative financial liabilities					-
Exchange rate instruments	7.0	7.0	7.0	-	-
Interest rate instruments	6.6	6.6	6.6	-	-
TOTAL	**13.6**	**13.6**	**13.6**	**-**	**-**

Foreign exchange risk

A large share of Ingenico's revenue and expenses is denominated in foreign currencies. The Group is therefore exposed to foreign exchange risk arising from purchases from payment terminal suppliers and on transactions between subsidiaries and the parent company. The main currencies in which that exposure is significant are the US dollar (USD), the British pound (GBP), the Canadian dollar (CAD) and the Australian dollar (AUD).

Foreign-currency denominated purchases and sales for which there is no "natural" hedge may be covered by a hedge instrument. The Group's objective is to hedge future risks (purchase or sale commitments) and risks already on the balance sheet (currency payables and receivables). The hedging strategy therefore covers both forward and balance sheet exposure.

The main foreign exchange risks hedged by the Group are generated by:

- the purchase and sale in foreign currencies of goods and services associated with the Company's operations (purchases from suppliers, sales to customers);
- financial assets or liabilities in foreign currencies (in particular, in relation to the financing of subsidiaries);
- investments in foreign subsidiaries.

The Group uses financial instruments such as forward purchase and sale contracts, foreign exchange options, swaps, and foreign lending/borrowing. Monitoring foreign exchange risk is the responsibility of the Treasury Department, which reports to the Chief Financial Officer. In addition, the Group uses specialized software that allows it to track its mark-to-market positions on a daily basis.

The closing rates and average foreign exchange rates used by the Group in 2019 and 2018 are as follows:

Closing rate	2019	2018
US Dollar	1.1234	1.1450
Canadian dollar	1.4598	1.5605
Australian dollar	1.5995	1.6220
Pound sterling	0.8508	0.8945
Brazilian real	4.5281	4.4366
Swedish krona	10.4468	10.2548
Chinese yuan	7.8205	7.8751
Russian rubble	69.9563	79.7153
Turkish Lira	6.6621	6.0422

Average rate	2019	2018
US Dollar	1.1196	1.1815
Canadian dollar	1.4857	1.5302
Australian dollar	1.6106	1.5799
Pound sterling	0.8773	0.8847
Brazilian real	4.4169	4.3177
Swedish krona	10.5867	10.2567
Chinese yuan	7.7339	7.8074
Russian rubble	72.4593	74.0551
Turkish Lira	6.3496	5.6843

Sensitivity to foreign exchange risk

The following tables show sensitivity to transactional exchange risk. The first table shows balance sheet exposure as of December 31, net of existing hedges. These hedges are classed as Fair Value Hedges. The second table shows hedges on future flows or cash flow hedges as of December 31. In the tables below, negative amounts correspond to sales of currencies and positive amounts to purchases.

The currency hedges put in place relate to the commercial risk of entities whose transaction currency is different from the reporting currency.

- **Fair value hedge of firm commitments**

	2019			
(in millions of foreign currencies)	US Dollar	Pound sterling	Canadian dollar	Australian dollar
Trade receivables	198.3	25.4	31.8	61.5
Trade payables	(112.1)	(21.5)	(12.4)	(19.3)
Gross balance sheet exposure	**86.2**	**3.9**	**19.4**	**42.2**
Foreign exchange derivative instruments				
Forward contrats	28.1	(2.7)	(5.1)	0.2
Collars	-	-	-	(3.0)
NET BALANCE SHEET EXPOSURE	**114.3**	**1.2**	**14.3**	**39.4**

- **Hedges of futurs cash-flows Budget 2020 *(Cash flow hedge)***

	2019			
(in millions of foreign currencies)	US Dollar	Pound sterling	Canadian dollar	Australian dollar
Forward contracts	(4.8)	(19.8)	(14.2)	(15.0)
Collars	-	(3.0)	(3.5)	-
HEDGING OF FUTURE TRANSACTIONS	**(4.8)**	**(22.8)**	**(17.7)**	**(15.0)**

- **Fair value hedge of firm commitments**

	2018			
(in millions of foreign currencies)	US Dollar	Pound sterling	Canadian dollar	Australian dollar
Trade receivables	196.3	39.9	17.2	43.1
Trade payables	(160.1)	(20.2)	(10.4)	(9.5)
Gross balance sheet exposure	**36.2**	**19.7**	**6.8**	**33.6**
Foreign exchange derivative instruments	-	-	-	-
Forward contracts	44.2	(4.0)	(5.7)	(6.6)
Collars	-	-	(2.2)	(1.8)
NET BALANCE SHEET EXPOSURE	**80.5**	**15.7**	**(1.2)**	**25.3**

- **Hedges of future cash-flows Budget 2019 *(Cash flow hedge)***

	2018			
(in millions of foreign currencies)	US Dollar	Pound sterling	Canadian dollar	Australian dollar
Forward contracts	-	(4.0)	(5.0)	(3.0)
Collars	-	(3.2)	(3.5)	(3.0)
HEDGING OF FUTURE TRANSACTIONS	**-**	**(7.2)**	**(8.5)**	**(6.0)**

The transactional exchange risk sensitivity table below shows the impact of a 10% appreciation or depreciation of the euro against the other currencies on the Group's trade receivables, trade payables and derivative financial hedging instruments. It also shows how those changes would impact the income statement.

	2019	
	Impact on profit or loss	
(in millions of euros)	10% appreciation of the euro in relation to foreign currencies	10% appreciation of foreign currency in relation to the euro
USD	(16.0)	22.9
GBP	(2.7)	4.8
CAD	(2.0)	3.8
AUD	(3.5)	4.8
Trade receivables	**(24.2)**	**36.3**
USD	9.1	(13.0)
GBP	2.3	(4.0)
CAD	0.8	(1.5)
AUD	1.1	(1.5)
Trade payables	**13.3**	**(20.0)**
USD	(1.9)	2.7
GBP	2.7	(4.2)
CAD	1.4	(2.3)
AUD	1.0	(1.2)
Derivative financial instruments	**3.2**	**(5.0)**
TOTAL	**(7.7)**	**11.3**

	2018	
	Impact on profit or loss	
(in millions of euros)	10% appreciation of the euro in relation to foreign currencies	10% appreciation of foreign currency in relation to the euro
USD	(15.6)	19.1
GBP	(4.1)	5.0
CAD	(1.0)	1.2
AUD	(2.4)	3.0
Trade receivables	**(23.1)**	**28.2**
USD	12.7	(15.5)
GBP	2.1	(2.5)
CAD	0.6	(0.7)
AUD	0.5	(0.7)
Trade payables	**15.9**	**(19.4)**
USD	(0.6)	0.3
GBP	(1.3)	0.7
CAD	(0.4)	0.3
AUD	(0.2)	0.2
Derivative financial instruments	**(2.5)**	**1.5**
TOTAL	**(9.7)**	**10.3**

The exchange rate risk on intra-Group financing is always hedged.

The Group may also find it appropriate to hedge certain investment operations abroad.

Interest rate risk

Interest rate risk is managed at Group level by the Treasury Department. The Group's hedging policy reflects a concern for both security and optimal financing cost management. Based on the trends expected in consolidated debt and in interest rates, the Group sets targets for the mix between fixed-rate and variable-rate debt.

Senior management regularly reviews these targets and resets them for upcoming periods after conferring with the Audit and Finance Committee. The targets are subsequently implemented by the Treasury Department. Interest rate swaps are the main instruments used.

In 2014, the Group put in place an interest rate swap for 50% of the nominal value of the bond issued in 2014, or €225 million, with a 7-year life. This swap turns the Group's fixed-rate exposure into variable-rate exposure.

The Group has applied in advance the IFRS 9 amendment, IAS 39 and IFRS 7 as adopted by the IASB in September 2019 as part of the change of standard interest rates.

This application allows the Group to exclude uncertainties related to standard interest rates from the effectiveness test of hedging instruments and/or the highly probable characteristic of hedged risks. This gives the ability to secure existing hedging instruments until the release of risks.

The interest rate swap put in place by the Group in 2014 is detailed in Note 9.c. The Group concluded that there is no impact related to the future changes of standard interest rates.

The table below presents the exposure to interest rate risk of the gross debt (defined as the sum of non-current financial debts, current financial debts and short-term bank borrowings or bank overdrafts) before and after economic hedging:

	2019		2018	
(in millions of euros)	Outstanding Debt	%Total Debt	Outstanding Debt	%Total Debt
Fixed rate	1,638.0	77.2%	1,625.9	70.9%
Variable rate	483.2	22.8%	666.7	29.1%
Gross debt before hedging	**2,121.2**	**100.0%**	**2,292.6**	**100.0%**
Fixed rate	1,413.0	66.6%	1,400.9	61.1%
Variable rate	708.2	33.4%	891.7	38.9%
Gross debt after hedging	**2,121.2**	**100.0%**	**2,292.6**	**100.0%**

The gross debt exposed to interest rate fluctuations amounted to approximately €708 million at December 31, 2019, compared with €892 million at December 31, 2018.

The decline in the share of the gross debt exposed to interest rate fluctuations is mainly due to the reimbursement of the €250 million loan in July 2019.

Sensitivity to interest rate risk

The Group is subject to fluctuations in interest rates on commercial paper and on the portion of the bond issue hedged by a swap.

A 100 bp (+/-1%) rise or fall in all the yield curves would lead to an increase or decrease of approximately €7 million in gross financial expenditure.

NOTE 10 —• Income tax

Income tax

Income tax is recognized in the income statement except to the extent that it relates to a business combination or to items recognized directly in equity or in other comprehensive income, in which case it is also recognized respectively in equity or other comprehensive income.

Current tax is (i) the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the reporting date; (ii) any adjustment to the amount of current tax payable in respect of previous periods and (iii) all other taxes calculated on a net amount of revenue and expenses.

Deferred tax is recognized for all temporary differences between the carrying amounts of assets and liabilities and their tax bases. No deferred tax is recognized for the following: (i) taxable temporary differences arising on initial recognition of goodwill, (ii) temporary differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future and (iii) the initial recognition of an asset or liability in a transaction which is not a business combination, which affects neither the accounting nor the taxable result. The measurement of deferred tax assets and liabilities depends on the manner in which the Group expects to recover or settle the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available to the Group against which it can be utilized. This assessment is made principally on the basis of the following criteria:

- the realization of taxable profits before the expiry of tax losses;
- the existence of sufficient temporary taxable differences in the same tax jurisdiction and taxable entity which will result in taxable income against which the tax losses carried forward may be utilized;
- non-recurring nature of the reasons for the existence of the tax losses.

Deferred tax assets are depreciated to the extent that it is no longer probable that sufficient taxable profits will be available.

In accordance with IFRIC 23, tax uncertainties are recognized in income tax assets and liabilities according to the likelihood of realization, which does not consider the probability of non-detection by the tax authorities. The assessment is to be made based on the most probable value or a weighted average of the different scenarios to reflect the best estimate of the realizable value of the tax risk (see also Note 8 «Other provisions»).

Business research and development tax credits

The method used to account for research and development tax credits depends on the tax treatment that applies to them in the various countries:

- if the tax credit is calculated solely on the amount of research and development expenditure, if it does not affect the calculation of taxable income for a subsidiary, if it is not limited by that subsidiary's tax liability and if it can be received in cash, it meets the definition of a government grant given in IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, and is recognized in "Profit from operating activities";
- otherwise, it is recognized under "Income tax expense".

Recent tax regulations in France

The Group classifies the CVAE (French value added tax) as income tax.

a. Income tax expense

(in millions of euros)	2019	2018
Current income tax France	(30.3)	(31.9)
Current income tax foreign	(60.7)	(41.3)
Current income tax	**(91.0)**	**(73.2)**
Deferred income tax France	4.8	12.2
Deferred income tax foreign	31.5	9.2
Deferred income tax	**36.3**	**21.4**
TOTAL	**(54.7)**	**(51.8)**

In 2019, income tax expense for the period consisted primarily of:

- current tax payable in France, Germany, Italy and the United Kingdom;
- the deferred tax gain from the recognition of deferred tax assets to account for temporary differences between the carrying amounts of assets and liabilities and their tax bases, mainly in France, Sweden, the Netherlands, Brazil and Belgium.

In 2018, income tax expense for the period consisted primarily of:

- current tax payable in France, Germany, Italy and the United Kingdom;
- the deferred tax gain from the recognition of deferred tax assets to account for temporary differences between the carrying amounts of assets and liabilities and their tax bases, mainly in France, Sweden, the Netherlands, Brazil and Belgium.

The current tax payable by the Group decreased mainly in France 2019. The tax rate benefits from the generally positive effect of local tax rates being lower than the parent company's tax rate. The decrease in non-deductible expenses such as payroll expenses relating to share-based payments and the portion of costs and charges on dividends received from foreign subsidiaries also contribute to the decrease in current tax. However, the classification of the French CVAE (company value-added contribution) as current tax and the withholding tax on dividends paid by the Group's subsidiaries contributes to downgrading the tax rate.

b. Group tax reconciliation

The current tax rate for French companies in the Group was 34.43% in fiscal year 2019.

The 2019 Finance Act applies a gradual reduction in the tax rate for French companies. This would affect the Group's French companies from 2020.

The following table shows a reconciliation of the theoretical tax expense calculated at the applicable rate and the recognized income tax expense.

(in millions of euros)	2019	2018
Profit before income tax (excl. share of profits in equity-accounted investees)	**271.2**	**240.5**
Tax rate in France	34.43%	34.43%
Theoretical tax expense	**(93.4)**	**(82.8)**
Difference between the French tax rate and that of foreign subsidiaries	46.6	29.2
Tax losses and temporary differences for the period not recognized as deferred tax assets	(0.4)	(0.1)
Prior period temporary differences and tax losses recognized as deferred tax assets in the period	5.0	(0.2)
Use of prior period tax losses not recognized as deferred tax assets	1.2	0.3
Tax credits	7.7	6.0
Effect of permanent differences and others	(21.4)	(4.1)
TOTAL	**(54.7)**	**(51.8)**
Effective tax rate	20.2%	21.5%

The reconciling items reflect the effect of tax rate differentials and changes as well as the tax effects of non-taxable income or non-deductible expenses arising from permanent differences between local tax bases and the financial statements presented under IFRS.

In 2019 and 2018, permanent differences and other differences included:

- the impact of the share of costs and expenses and withholding taxes related to dividends received from subsidiaries by Ingenico Group SA;
- the effect of classifying the French CVAE tax as an income tax;
- the non-deductibility of the payroll expense arising from the award of stock options and free shares;
- the non-deductibility of losses related to assets and liabilities disposed of.

c. Deferred taxes

Change in deferred tax assets and liabilities

(in millions of euros)	Deferred tax assets from tax losses	Deferred tax assets from temporary differences	Total deferred tax assets	Total deferred tax liabilities	Total deferred tax, net
Balance at January 1, 2018	**24.2**	**38.6**	**62.7**	**(226.5)**	**(163.8)**
Deferred tax recognized in profit or loss	(8.9)	(2.9)	(11.8)	33.8	22.0
Deferred tax recognized in equity and business combinations	9.6	(6.8)	2.9	(15.9)	(13.0)
Translation differences	0.1	(0.6)	(0.5)	5.0	4.5
Other movements	0.0	(0.0)	-	-	-
Balance at December 31, 2018	**25.0**	**28.3**	**53.3**	**(203.6)**	**(150.3)**
Deferred tax recognized in profit or loss	0.6	5.4	6.1	30.3	36.3
Deferred tax recognized in equity and business combinations	3.1	(6.6)	(3.5)	(49.5)	(52.9)
Translation differences	(0.2)	0.4	0.2	0.7	0.9
Other movements	1.0	(1.0)	--	--	--
BALANCE AT DECEMBER 31, 2019	**29.6**	**26.5**	**56.1**	**(222.1)**	**(166.0)**

As of December 31, 2019, the change in deferred taxes recognized in equity primarily comprised the scope entries impact of deffered taxes and the recognition of post-employment benefits.

Breakdown by nature

(in millions of euros)	2019	2018
Deferred tax assets by type of temporary difference		
Property, plant and equipment and intangible assets	2.7	6.8
Employee benefits	20.4	10.1
Inventories, receivables, payables and provisions	67.7	60.2
Unutilized tax losses and credits	29.6	25.0
Others (including financial instruments)	–	0.8
DEFERRED TAX ASSETS	**120.4**	**102.8**
Netting effect	(64.3)	(49.5)
TOTAL DEFERRED TAX ASSETS	**56.1**	**53.3**
Deferred tax liabilities by nature of temporary difference		
Property, plant and equipment and intangible assets	(215.1)	(198.2)
Employee benefits	(1.8)	(0.4)
Inventories, receivables, payables and provisions	(71.1)	(47.9)
Others (including financial instruments)	1.6	(6.7)
DEFERRED TAX LIABILITIES	**(286.4)**	**(253.1)**
Netting effect	64.3	49.5
TOTAL DEFERRED TAX LIABILITIES	**(231.7)**	**(203.6)**
NET TOTAL	**(166.0)**	**(150.3)**

Breakdown of unrecognized deferred tax assets

(in millions of euros)	2019	2018
Deferred tax from tax losses and tax credits of less than 1 year	0.1	-
Deferred tax from tax losses and tax credits of between 1 and 5 years	1.1	0.8
Deferred tax from tax losses and tax credits of over 5 years	4.9	10.2
Deferred tax from temporary differences	0.5	0.5
TOTAL	**6.6**	**11.5**

d. Current tax liabilities

(in millions of euros)	2019	2018
France	0.4	7.4
Foreign countries	44.4	19.1
TOTAL	**44.8**	**26.5**

NOTE 11 —• Equity-accounted investees and non-controlling interests

a. Interests in associate companies

(in millions of euros)	JoinedApp Inc.	Fixed & Mobile Pte Ltd	Total
% interest at January 1, 2018	15.0%	27.3%	-
% interest at December 31, 2018	15.0%	26.7%	-
% interest at December 31, 2019	15.0%	0.0%	-
Balance at January 1, 2018	**1.3**	**6.3**	**7.6**
Acquisition	-	-	-
Impairment loss	-	0.1	0.1
Translation differences	-	0.3	0.3
Accretion	-	(0.1)	(0.1)
Balance at December 31, 2018	**1.3**	**6.6**	**7.9**
Acquisition	-	-	-
Impairment loss	-	-	-
Translation differences	-	0.0	0.0
Disposal	-	(6.6)	(6.6)
Balance at December 31, 2019	**1.3**	**-**	**1.3**

In 2017, the Group invested in a Californian company called JoinedApp, specializing in e-Commerce solutions integrated into email applications. Having acquired 15% of the company's capital and with a presence on the Management Committee, the Group has a significant influence on JoinedApp, without having control. The investment is therefore recognized under the equity method.

On February 25, 2019 the Group sold its participation into Fixed & Mobile Pte Ltd which lead the Group to adjust the value of associate companies by €(6,6) million.

b. Non-controlling interests

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".

Share purchase commitments on non-controlling interests

Put options on non-controlling interests in Group subsidiaries are initially recognized as a financial liability for the present value of the exercise price, with a corresponding entry in equity attributable to Ingenico SA shareholders. The unwinding of the discount to that liability and the effect of any changes in estimates are recognized in "Equity attributable to Ingenico SA shareholders".

In 2017, the transfer of 3% of Ingenico Holdings Asia Limited to Group managers increased the percentage of capital and voting rights held by minority shareholders in the Group's Chinese activities.

In 2019, the Group completed the closing of an agreement to merge BS Payone, a Sparkassen-Finanzgruppe subsidiary, with the assets of Ingenico Retail in Germany, Austria and Switzerland on January 8, 2019 after receiving all the regulatory approvals required. Deutscher Sparkassenverlag has a 48% interest in the new joint venture, renamed Ingenico Payone Holding GmbH, while Ingenico Group has a 52% interest. The entity has accordingly been fully consolidated as of January 1, 2019 in the Group's financial statements within the current Retail business. This operation in 2018 and 2019 led respectively the net result of NCI from €0.6 million to €8.5 million and the equity of NCI from €5.6 million to €274.6 million.

		Balance at December 31, 2019		Balance at December 31, 2018	
Name of subsidiary	Countries	Percentage of capital and voting rights held by non-controlling interests	Profit for the period – Share of non-controlling interests *(in millions of euros)*	Percentage of share capital and voting rights held by non-controlling interests	Profit for the period – Share of non-controlling interests *(in millions of euros)*
Ingenico Holding Asia Limited	Hong Kong	3%	(0.0)	3%	(0.1)
Fujian Landi Commercial Equipment Co., Ltd.	China	3%	0.4	3%	0.7
Ingenico Electronic Equipments Co., Ldt	China	3%	0.0	3%	0.0
Payone GmbH	Germany	48%	(5.0)	-	-
Ingenico e-Commerce solutions	Austria	48%	(0.0)	-	-
Payone Switzerland	Switzerland	48%	(0.3)	-	-
Ingenico e-Commerce solutions	Germany	48%	0.2	-	-
Ingenico Payone Holding GmbH	Germany	48%	9.5	-	-
Ingenico Marketing solutions GmbH	Germany	48%	0.2	-	-
Credit & Collections Service GmbH	Germany	48%	3.4	-	-
Ingenico Payment Services GmbH Belgium branch	Belgium	48%	0.7	-	-
Ingenico Payment Services GmbH Austria branch	Austria	48%	0.1	-	-
Ingenico Payment Services GmbH Netherlands branch	Netherlands	48%	(0.8)	-	-
NON-CONTROLLING INTERESTS		**-**	**8.5**	**-**	**0.6**

NOTE 12 —• Equity and earnings per share

Treasury shares

Own shares acquired by Ingenico are classified as treasury shares, and their acquisition cost is deducted from equity.

a. Total equity

Number of outstanding shares

	2019	2018
Issued on January 1	**63,144,527**	**62,363,114**
Shares issued in connection with dividend distributions[(1)]	534,871	781,413
Shares issued in connection with options exercised and shares acquired	-	-
Shares issued in connection with a capital increase reserved for employees	33,649	-
Shares issued at the end of the period	**63,713,047**	**63,144,527**
Treasury shares at the end of the period	1,315,400	1,360,354
Shares outstanding at the end of the period	**62,397,647**	**61,784,173**

(1) See V. "Consolidated statement of change in equity".

The par value of an Ingenico Group share is €1.

Treasury shares

(in euros)	2018	Acquisitions	Divestitures and cancellations	2019
Number of securities	1,360,354	704,899	(749,853)	1,315,400
Average purchase price	65.25	79.92	77.92	65.99
TOTAL	**88,763,099**	**56,333,060**	**58,425,133**	**86,803,548**

(in euros)	2017	Acquisitions	Divestitures and cancellations	2018
Number of securities	114,734	1,873,708	(628,088)	1,360,354
Average purchase price	23.52	69.26	69.59	65.25
TOTAL	**2,698,027**	**129,773,016**	**43,708,644**	**88,763,099**

Shares repurchased to be awarded or retired

The portfolio of treasury shares totaled 1,360,354 shares as of December 31, 2018. As of December 31, 2019, there were 1,315,400 treasury shares at an average price of €65.99.

Over the course of the year, 44,954 treasury shares were used for share-based compensation plans.

Treasury shares repurchased under the liquidity contract

In 2019, a total of 704,899 shares were purchased at an average price of €79.92 and 704,899 shares were sold at an average price of €80.10.

The Group held no treasury shares under its liquidity contract as of December 31, 2019 and 2018.

b. Earnings per share

	2019	2018
Net profit or loss attributable to Ingenico SA shareholders *(in millions of euros)*	208.0	188.2
Weighted average number of ordinary shares	62,113,205	61,730,967
Basic earnings per share *(in euros)*	3.35	3.05

Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to Ingenico Group SA shareholders by the average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Group and held as treasury shares. The average number of ordinary shares is a weighted annual average calculated on the basis of the issue or redemption date of the shares outstanding for the period.

Diluted earnings per share

Diluted earnings per share are calculated using the treasury stock method, which:

- in the numerator, adjusts the net interest income on bonds convertible to or exchangeable for new or existing shares (OCEANE);
- in the denominator, adds the new shares that are potentially created by dilutive instruments (OCEANE, free shares and joint investment) to ordinary shares and subtracts the number of shares that could be repurchased on the market with the proceeds from the exercise of the relevant instruments. The market price used is the average share price of the year.

The diluted number of ordinary shares does not include the purchase of the 1,500,000 options described in Note 9.b. The acquisition of these call options will allow Ingenico Group to partially cover its obligations to deliver treasury shares, as well as the potential dilution, in the event of the conversion of its OCEANE bonds, which mature on June 26, 2022.

(in millions of euros)	2019	2018
Net profit or loss attributable to Ingenico SA shareholders	**208.0**	**188.2**
Interest expense related to OCEANE convertible bond debt (net of income tax)	7.3	6.1
Diluted net profit or loss attributable to Ingenico SA shareholders	**215.3**	**194.3**
Weighted average number of existing shares	**62,113,205**	**61,730,967**
Impact of dilutive instruments:		
• free shares granted	420,978	269,755
• conversion of convertible bonds	2,930,583	2,930,583
Diluted weighted average number of ordinary shares	**65,464,766**	**64,931,305**
Diluted earnings per share *(in euros)*	**3.29**	**2.99**

NOTE 13 —• Off-balance sheet commitments

(in millions of euros)	2019	2018
Commitment received		
Various guarantees	5.3	6.7
In the scope of the acquisition of Paymark, the Group has taken out insurance covering basic warranties (7 years) and other disputes (2 years) of up to NZ$70 million. Above this amount, basic warranties are covered by the vendors for 10 years.	42.0	41.0
Liability warranty as part of the acquisition of an 83.86% interest in Roam Data Inc.: unlimited duration (commitment: USD 700,000).	0.6	0.6
Liability warranty as part of TNET acquisition: unlimited duration and amount.	unlimited	unlimited
Liability warranty as part of Paycom acquisition up to July 1, 2021 for corporate warranties.	12.4	12.4
Liability warranty as part of PT Payment Indonesia acquisition. Total liability warranties amount to USD4.5 million. Expiry dates are as follows:		
• corporate: unlimited duration	4.0	3.8
Liability warranties as part of Ogone acquisition The amount of liability warranties (excluding special warranty) was €89.3 million (for corporate warranties of an unlimited duration).	89.3	89.3
Liability warranty in connection with the acquisition of Think&Go.		
• The overall cap is €500,000 with a duration of 12 months, with the exception of social security and payroll expenses for which the maximum duration is set at 3 years. The tax and social security cap is €150,000. • The basic warranties are unlimited in duration and amount.	0.5	0.5
Liability warranty in connection with the acquisition of Lyudia. It covers general warranties for a duration of 24 months from April, 2016, and tax warranties for a duration of 5 years.	-	3.3
Basic warranties unlimited in duration and amount, received in connection with the buyout of Ingenico Holdings Asia shares.	unlimited	unlimited

(in millions of euros)	**2019**	**2018**
Liability warranty in connection with the acquisition of Nera Payment Services. It covers tax warranties for a duration of 6 years, and other warranties for a duration of 1 year.		
The basic warranties are unlimited in duration and amount.	13.6	13.2
In connection with the TechProcess acquisition, the Group has a general warranty with no time limit, specific warranties in regards to administrative formalities and the company's capitalization, which expire on February 20, 2020.	4.1	4.2
Liability warranty in connection with the acquisition of IECISA. It covers basic warranties for 18 months from the acquisition date, and tax and social warranties for 2 years.	-	6.0
In the scope of the acquisition of Bambora, the Group has taken out insurance covering basic warranties (10 years), tax and social warranties (7 years), and other disputes (2 years) of up to €300 million. Above this amount, basic warranties are covered by the vendors for 10 years.	300.0	300.0
Liability warranty in connection with the acquisition of Airlink. It covers tax warranties for 7 years, social and legal warranties for 5 years, and other corporate warranties for 3 years up to the consideration paid.	8.6	8.2
Liability warranty as part of the combination of BS PayOne with Ingenico Retail assets in DACH, total liability warranties amount to €75 million (except for fundamental warranties: €500 million):		
• Standard warranties, until January 7, 2021;	75.0	-
• Fundamental warranties, until January 7, 2024;	500.0	-
• Tax guarantees: 6 months after the final, non-appealable binding assessment of relevant taxes	75.0	-
Other commitments received	**-**	**-**
Commitments given		
Various guarantees	42.6	29.0
Liability warranty as part of disposal by Ingenico France of its "Healthcare Business" Unit. Total liability warranties amount to €3,5 million (except for fundamental warranties: €15,5 million). Expiry dates as follows:	3.5	-
• Standard warranties: until October 31, 2021;		
• Fundamental warranties: until expiration of time limit;	15.5	-
• Potential price adjustment in favor of the purchaser: up to €2,5 million.		
Lability warranty as part of the disposal of ZTE shares. It is unlimited in duration and amount and covers the basic warranties.	unlimited	unlimited
In the scope of the acquisition of Bambora, The Group took over responsability for a warranty to credit card issuers for €90.9 million including €69.8 million booked into financial statements.	21.1	21.8
Guarantee granted to Mastercard for credit card acquiring license	22.3	-
Guarantees granted regarding hardware and supply agreement towards clients	51.2	-
Liability warranty as part of the combination of BS PayOne with Ingenico Retail assets in DACH, total liability warranties amount to €75 million (except for fundamental warranties: €500 million):		-
• Standard warranties, until January 7, 2021;	75.0	-
• Fundamental warranties, until January 7, 2024;	500.0	-
• Tax guarantees: 6 months after the final, non-appealable binding assessment of relevant taxes	75.0	-
Other commitments given		
The Group has committed to contributing €15 million to an investment fund. Cash calls subscribed are recorded in the balance sheet for a total of €14.1 million.	0.9	4.0
The Group has committed to contributing €1 million to an investment fund. Cash calls subscribed are recorded in the balance sheet for a total of €0.4 million.	0.6	-

In 2019, the Group had the following commitments in connection with its business activities:

- approximately €116 million in firm price orders placed by the Group with its manufacturers as of December 31, 2019;
- future payments under non-cancelable operating leases.

On the December 31, 2018 reporting date, €146.2 million in future commitments related to minimum lease payments under non-cancelable leases and to other commitments under service contracts were recorded in off-balance sheet commitments. As indicated in Note 2, the bulk of those commitments are now accounted for as lease obligations in the Group's balance sheet, as prescribed by IFRS 16.

NOTE 14 —• Main consolidated subsidiaries of the group

Principles of consolidation

Fully-consolidated subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls an entity when it has power over that entity, is exposed to variable benefits from that entity and, due to its power over that entity, has the ability to influence the benefits that it draws from it.

The Group takes account of substantial voting rights in assessing control, *i.e.*, rights that are currently exercisable or may be exercisable at the time that decisions on relevant business are taken.

The financial statements of all subsidiaries are included in the consolidated financial statements from the date on which the Company gains control until the date on which this control ceases.

Associates

An associate is an entity over whose financial and operating policies the Group has significant influence, without having control or joint control over those policies. The consolidated financial statements include the Group's share of the profit or loss and of the other comprehensive income of all associates accounted for using the equity method, from the date on which the Group gains significant influence until the date on which this influence ceases.

Jointly controlled operations

A jointly controlled operation is a joint venture operated by a company and one or more other parties under the terms of a contractual agreement which grants it rights to its net assets. There are no joint ventures within the Group's consolidation scope.

Transactions eliminated in the consolidated financial statements

Intragroup balances, income and expenses arising from intragroup transactions are eliminated in full in the consolidated financial statements.

Presentation

The consolidated subsidiaries are presented below are the main contributors to Group turnover, net income of year, equity, total assets, and connected to the main events of the accounting period.

Entity	Countries	% interest	Consolidation method
Ingenico Group SA	France	Parent Company	
Main consolidated subsidiaries			
Ingenico Payone Holding GmbH	Germany	52%	Full
Ingenico e-Commerce Solutions GmbH	Germany	100%	Full
Ingenico GmbH	Germany	100%	Full
Ingenico Healthcare GmbH	Germany	100%	Full
Ingenico Marketing Solutions GmbH	Germany	52%	Full
Ingenico Payone GmbH	Germany	52%	Full
Ingenico International (Pacific) Pty Ltd	Australia	100%	Full
Ingenico e-Commerce Solutions SPRL	Belgium	100%	Full
Ingenico Financial Solutions SA	Belgium	100%	Full
Paymark Limited	New Zealand	100%	Full
Ingenico do Brasil Ltda.	Brazil	100%	Full
Ingenico Canada Ltd.	Canada	100%	Full
Fujian Landi Commercial Equipment Co., Ltd.	China	97%	Full
Ingenico Electronic Equipments (Beijing) Co., Ltd.	China	97%	Full
Ingenico Corp.	USA	100%	Full
Ingenico Business Support SAS	France	100%	Full
Ingenico e-Commerce Solutions SAS	France	100%	Full
Ingenico France SAS	France	100%	Full
Ingenico Prepaid Services France SAS	France	100%	Full
Ingenico Terminals SAS	France	100%	Full
Ingenico (UK) Ltd.	United Kingdom	100%	Full
Ingenico e-Commerce Solutions Ltd.	United Kingdom	100%	Full
PT. Ingenico International Indonesia	Indonesia	100%	Full
Ingenico Italia SpA	Italy	100%	Full
GCS Holding BV	Netherlands	100%	Full
Global Collect BV	Netherlands	100%	Full
Ingenico e-Commerce Solutions BV	Netherlands	100%	Full
Ingenico Philippines Corp.	Philippines	100%	Full
Ingenico Polska Sp. z o.o	Poland	100%	Full

NOTE 15 —• Subsequent events

On February 3, 2020, Worldline SA and Ingenico Group SA announced that their respective Boards of Directors have unanimously approved a business combination agreement pursuant to which Worldline would launch a tender offer for all Ingenico shares, consisting of a 81% share and 19% cash transaction, as of last closing prices, as well as outstanding OCEANEs.

NOTE 16 —• Statutory auditors' fees

The statutory auditors' fees are broken down as follows:

	2019						2018	
	KPMG			MAZARS			KPMG	MAZARS
(in millions of euros)	KPMG SA	KPMG affiliates	Total	Mazars	Mazars affiliates	Total	Total	Total
certification of accounts	0.3	0.8	1.1	0.4	1.1	1.4	1.1	1.0
Others services	0.0	0.2	0.2	-	-	-	0.1	0.0
TOTAL	**0.3**	**1.0**	**1.3**	**0.4**	**1.1**	**1.4**	**1.2**	**1.0**

Services other than the certification of accounts include related services in relation with certification of accounts, of which law enforced services.

5.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal year ended December 31, 2019

To the Annual General Shareholders' Meeting of Ingenico Group SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Ingenico Group SA for the fiscal year ended December 31, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the results of operations for the last fiscal year as well as of the financial position and of the assets and liabilities of the consolidated group of entities at the end of the fiscal year, in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Justification of our opinion

Auditing guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report on "Responsibilities of the Statutory Auditors regarding the auditing of the consolidated financial statements".

Independence

We conducted our audit for the period from January 1, 2019 to the date of our report in compliance with the independence rules applicable to us, and specifically, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics (*Code de Déontologie*) for statutory auditors.

Emphasis of matter

We draw your attention to the changes of accounting methods related to the first application of IFRS 16: Leases, and to interpretation IFRIC 23: Uncertainty over Income Tax Treatments, shown in Notes 2a and 2b of the notes to the consolidated financial statements respectively. Our opinion is not modified in respect of this matter.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and forming our opinion thereon. We do not express a separate opinion on individual items in the consolidated financial statements.

Key points of our audit	Responses provided during our audit
Revenue recognition for the transactional services business As explained in Notes 5a and 5l of the notes to the financial statements, as part of its transactional services business, the Group provides intermediation between merchants, credit card issuers, and end consumers. This transactional services business is characterized by a large volume of transactions to be processed through complex information systems. The rules for the application of accounting standards concerning these services may be complex and require judgments and estimates, particularly in respect of the recording of revenue from the provision of transactional services on a gross basis. Revenue recognition procedures are described in Note 5a of the notes to the financial statements, in the section on "Sale of payment solutions services". The Group considers that its position in the payment chain is such that it is the principal in the transactions leading to the payment to the merchant of the final consumer's payment. The Group considers that it is in a position to control the services provided by third parties and records revenue from the provision of transactional services on a gross basis. We considered that revenue recognition and the reliability of the information systems involved in the recording of flows related to the transactional services business constitute a key point of our audit, given: • the volume of transactions handled by this business; • the judgments and estimates used to determine revenue, particularly the recording of income on a gross basis; • the complexity of the information systems configured to process data and ensure the smooth running of transactions, including in the event of a service outage, a technical fault or an incorrect translation of contractual rules, originating from a cyber attack, a technical malfunction, human error or poor configuration of the information systems.	With the assistance of our information systems specialists, we have obtained an understanding of the process related to revenue recognition and the various flows related to these business activities, conducted an assessment of the information systems and the design of key controls, and then tested the operational effectiveness of these key controls relating to: • the registration in databases of contractual information with the merchants and credit card issuers as well as subsequent amendments to this baseline data; • the input of financial flows, conversion of flows denominated in foreign currencies and recording of revenue related to transactions; • the implementation of controls that, in the event of an identified malfunction, enable continuity of part of the business and allow for the continued reliable recording of accounting transactions. We have also: • assessed whether revenue recognition is compliant with the accounting standards in force, in particular the assessment by the Group of the concept of agent or principal within the scope of its transactional services business; • corroborated, by sampling, the rates used to account for revenue, by comparing them with the contractual rates agreed with merchants. Finally, we assessed the appropriateness of the notes to the financial statements in the accounting principles applied and significant judgments exercised by the Group.
Provisions for litigation and claims The Group's business activities are subject to many regulations, including commercial, customs and tax regulations in France and internationally. In this context, the Group's business activities may involve risks, disputes or litigation with third parties. As indicated in Note 8 of the notes to the consolidated financial statements, the claims and legal and arbitration proceedings arising in connection with the Company's business activities are regularly reviewed by the Group's Legal Department and are covered by provisions if it believes that it is likely that an outflow of resources will be required to cover the risk incurred and when such an outflow can be reliably estimated. In particular, the Group is engaged in tax disputes and tax recovery procedures in Brazil; the situation as of December 31, 2019 is described in Note 8 of the notes to the consolidated financial statements. We considered that this area was a key point of our audit given the significant nature of litigation and claims and the high level of judgment required by the management to determine such provisions in a context of multiple regulatory conditions and constant changes.	To obtain an understanding of existing litigation, claims and judgment-related factors, we interviewed the Group's management and that of its main subsidiaries, analyzed the procedures it implements to identify disputes and questioned the main legal firms used by the management. For each of the major litigation proceedings and claims identified, we: • reviewed the process used by the management to calculate the relevant provisions and determine which information to disclose in the notes; • performed a critical review of internal analysis notes relating to the probability and the potential impact of each risk, by examining the procedural elements (correspondence, claims, judgments, notifications, etc.) available and the legal or technical advice provided by the legal firms or external experts used by the management; • obtained written consultations from the legal firms or external experts that assisted the Company; • exercised our professional judgment, with the help of our own experts where necessary, to assess the positions used by the management and the suitability of any changes over time to these positions; • assessed whether the information provided in Note 8 of the notes to the consolidated financial statements about the main litigation proceedings and claims identified is appropriate.

Key points of our audit	Responses provided during our audit
Assessment of goodwill In the scope of its development, the Group conducts external growth transactions and has recognized several goodwill amounts. As of December 31, 2019, goodwill was recorded on the balance sheet for a net carrying amount of €2,800 million in respect of total assets of €7,567 million. Each year, and whenever there is an indication of impairment, the management conducts impairment tests on the net carrying amounts of goodwill at the level of cash-generating units (CGU), using the procedures described in Note 7 of the notes to the consolidated financial statements. The procedure relating to impairment tests, which relies mainly on the net future discounted cash flow method, involves the use of judgments and assumptions on the part of the management, particularly in respect of factors such as long-term growth rates, the weighted average cost of capital and the determination of CGUs. We considered that the valuation of goodwill constitutes a key point of our audit due to its particular importance in the Group's financial statements and because the determination of its recoverable value is heavily based on assumptions, estimates or management assessments.	Our work consisted of: • obtaining an understanding of the procedures used by the management to implement impairment tests; • assessing whether the attachment of assets to CGUs is comprehensive and compliant with accounting standards in force; • analyzing the reasonableness of cash flow projections in terms of our knowledge of the economic environments in which these CGUs operate and the latest operating forecasts relating to a five-year period set by the management; • assessing the consistency between long-term growth rates and the weighted average cost of capital and market analyses, with the assistance of our valuation experts; • testing the sensitivity of the value in use implemented by the management to various of the main assumptions used; • assessing the appropriateness of the financial information provided in Note 7 of the notes to the consolidated financial statements.
First consolidation of Payone In July 2018, Ingenico Group and Deutscher Sparkassenverlag (DSV) announced an agreement to merge BS Payone with the assets of Ingenico's Retail business in Germany, Austria and Switzerland (Ingenico DACH Retail). The merger was completed on January 8, 2019. The joint venture, renamed Ingenico Payone Holding GmbH, is 48% held by DSV and 52% by Ingenico Group SA. The entity was fully consolidated into the Group's financial statements from January 2019 in the current Retail business. The creation of Ingenico Payone Holding GmbH is described in Notes 3 and 7a of the notes to the consolidated financial statements, and is regarded as two simultaneous transactions, resulting in the transfer without loss of control of 48% of the assets of Ingenico Retail in Germany, Austria and Switzerland, the recognition at fair value of the assets contributed by BS Payone for €125 million and the recognition of preliminary goodwill of €380 million. The net impact of the transfer of the assets contributed and the valuation at fair value of the assets received is recorded in the Group's consolidated reserves. We considered that the recognition of this transaction and its description in the notes to the consolidated financial statements represent a key audit matter due to its complexity, its impact on the accounts and the estimates required to determine the amount of preliminary goodwill.	Our work consisted of: • familiarizing ourselves with the merger agreement and assessing whether the accounting principles and methods used by the Group to recognize the underlying transactions on the completion date comply with the accounting principles in force; • familiarizing ourselves with the procedures implemented by the Group to identify and determine the assets and liabilities and the preliminary goodwill acquired; • conducting a critical review of the report prepared by an independent expert on the allocation of the acquisition price and the determination of preliminary goodwill; • assessing, with the assistance of our valuation experts, whether the models and assumptions used to evaluate the fair value of the assets and liabilities acquired are appropriate, in particular the methods used to value intangible assets and the discount rates; • assessing whether the baseline data and assumptions used to assess assets at fair value, particularly intangible assets, are reasonable and consistent with external and internal data; • onducting tests to corroborate the value of preliminary goodwill, subsequent to the allocation of fair value, in view of the anticipated profitability of the various assets; • assessing whether Notes 3 and 7a of the notes to the consolidated financial statements provide adequate information.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by the laws and regulations of the information regarding the Group given in the Board of Directors' management report.

We have no matters to report as to fair presentation and consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Information resulting from other legal and regulatory obligations

Appointment of statutory auditors

KPMG were appointed as the statutory auditors of Ingenico Group SA by the Annual General Shareholders' Meeting of June 10, 1986; Mazars were appointed on April 23, 2013.

As of December 31, 2019, KPMG was in its 34th year of continuous engagement and Mazars was in its 7th year.

Responsibilities of management and those charged with governance for the consolidated financial statements

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and the effectiveness of the internal control and risk management systems. Where applicable, it is also responsible for the internal audit process, in terms of the procedures relating to the preparation and processing of accounting and financial information.

These consolidated financial statements were approved by the Board of Directors on February 25, 2020.

Responsibilities of the statutory auditors regarding the auditing of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance whether the consolidated financial statements, taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of the management of the affairs of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout this audit. Furthermore, the statutory auditor:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of failing to detect a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- with regard to financial information about persons or entities within the scope of consolidation, it collects elements that it deems sufficient and appropriate to express an opinion on the consolidated accounts. It is responsible for the management, supervision and completion of the audit of the consolidated accounts and for the opinion expressed on these accounts.

Report to the Audit Committee

We present a report to the Audit Committee that specifically includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the period and therefore represent key audit matters. It is our responsibility to describe such risks in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, February 25, 2020

The statutory auditors

KPMG AUDIT	MAZARS
Department of KPMG SA	
Frédéric Quelin *Partner*	Ariane Mignon *Partner*

6

ANNUAL FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019

6.1 ASSETS

(in thousands of euros)	Notes	Gross	D&A and Impairment	Net	Net
	2019				2018
Non-current assets					
Intangible assets	**5**				
Research and development costs		93,856	61,401	32,455	33,250
Licenses, patents and similar rights		8,644	5,298	3,346	386
Goodwill		1,596	1,571	25	25
Other intangible assets		686	686	-	-
Property, plant and equipment	**5**				
Facilities and equipment		221	221	-	-
Other property, plant and equipment		93	51	42	12
Financial assets	**5**				
Equity interests	6, 10	3,679,492	84,851	3,594,641	3,516,402
Loans and advances to subsidiaries and associates	6, 7	375,955	-	375,955	373,261
Other financial assets	6, 10	101,761	-	101,761	85,568
TOTAL NON-CURRENT ASSETS		**4,262,304**	**154,079**	**4,108,225**	**4,008,904**
Current assets					
Trade receivables	**7, 10, 13**				
Advances and down payments		12	-	12	122
Trade receivables and related accounts		67,218	50	67,168	24,941
Other receivables		113,282	4,722	108,560	134,755
Short-term investments	**8, 10**	**139,138**	**7**	**139,131**	**68,728**
Cash		**278,874**	**-**	**278,874**	**413,317**
Prepaid expenses	**7**	**685**	**-**	**685**	**1,216**
TOTAL CURRENT ASSETS		**599,209**	**4,779**	**594,430**	**643,079**
Bond issue premiums	5	2,368	-	2,368	2,989
Deferred charges	5	5,231	-	5,231	7,955
Translation differences (assets)		5,064	-	5,064	5,000
TOTAL ASSETS		**4,874,176**	**158,858**	**4,715,318**	**4,667,927**

6.2 LIABILITIES

(in thousands of euros)	Notes	2019	2018
Equity	**9**		
Share capital		63,713	63,144
Issue premiums		1,003,331	967,602
Reserves	**9**		
Legal reserve		6,315	6,240
Retained earnings	**9**	**776,512**	**685,793**
Profit for the year	**9**	**133,199**	**158,757**
Regulated provisions	**9, 10**	**5,857**	**5,149**
TOTAL EQUITY		**1,988,927**	**1,886,685**
Provisions for liabilities and charges			
Provisions for liabilities and charges	10	9,002	9,055
TOTAL PROVISIONS		**9,002**	**9,055**
Debts			
Other bond issues	11, 12, 13	1,558,276	1,558,317
Bank borrowings and debt	11, 12, 13	105,669	356,317
Other borrowings and liabilities	6, 11, 12	894,796	750,304
Trade payables and related accounts	12, 13	91,324	68,643
Tax and social security liabilities	12, 13	13,627	25,127
Other debts	12, 13	48,553	4,333
Deferred income	12	290	259
TOTAL DEBTS		**2,712,535**	**2,763,300**
Translation differences (liabilities)		4,854	8,887
TOTAL LIABILITIES		**4,715,318**	**4,667,927**

6.3 INCOME STATEMENT

(in thousands of euros)	Notes	2019	2018
Resale of purchased goods		-	-
Sales of goods produced		-	-
Sales of services		84,335	87,860
Revenue	**14**	**84,335**	**87,860**
Inventoried production		-	-
Capitalized production		11,942	14,446
Subsidies		-	6
Other income		137,544	143,689
Reversal of provisions and transfer of expenses	10	805	2,236
TOTAL OPERATING INCOME		**234,626**	**248,237**
Purchases (incl. customs duties)		-	-
Cost of inventories consumed		-	-
Changes in inventories (raw materials and other supplies)		-	-
Other purchases and external expenses	16, 21	153,617	141,310
Taxes and other related expenses		5,050	3,044
Wages and salaries	15, 20	20,911	25,250
Social security contributions		10,016	11,300
D&A on non-current assets	5	14,939	12,991
Provisions and impairment	10	489	682
Other expenses		1,546	1,379
TOTAL OPERATING EXPENSES		**206,568**	**195,956**
Profit from operations		**28,058**	**52,281**
Financial income		244,619	193,526
Financial expenses		(69,449)	(87,845)
Reversals of provisions		19,752	4,252
Provisions		(94,488)	(20,220)
Net financial income	**17**	**100,434**	**89,713**
Current profit/loss before taxes		**128,492**	**141,994**
Non-recurring income		163	200,256
Non-recurring expenses		(2,140)	(198,962)
Non-recurring reversals of provisions		156	268
Non-recurring provisions		(865)	-
Non-recurring profit/loss	**18**	**(2,686)**	**1,562**
Employee profit-sharing		(216)	330
Income tax expense/(income)	19	(7,177)	(15,531)
PROFIT FOR THE YEAR		**133,199**	**158,757**

6.4 NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

NOTE 1 —• Highlights of the period

Equity securities: purchases/sales/valuation tests

Transactions on equity securities

- On **January 8,** 2019, Ingenico Group SA completed the merger between BS PAYONE, a subsidiary of Sparkassen-Finanzgruppe, and the assets of Ingenico's Retail business in the DACH region (Germany, Austria, Switzerland). The joint venture, renamed Ingenico Payone Holding GmbH, is 48% held by Deutscher Sparkassen Verlag GmbH and 52% by Ingenico Group.
- On **January 11,** 2019, Ingenico Group SA completed the acquisition of Paymark, a New Zealand electronic payment network, for a total amount of NZ$190 million.
- On **October 9,** 2019, Ingenico Group SA made a contribution of funds in connection with the creation of a joint venture incubator, ZONE2BOOST S.L., with CaixaBank and Global Payments. Its aim is to host startups in Barcelona. Ingenico Group SA's shareholding amounts to €0.4 million.
- On **November 29,** 2019, Ingenico Group SA decided to increase the share capital of Ingenico France SAS by an amount of €43.4 million in cash.
- On **December 16,** 2019, Ingenico Group SA signed an agreement with its partner, Deutscher Sparkassen Verlag GmbH, to pay an earn-out to the joint venture, in accordance with the contract for combining the joint venture's assets. This additional price amounted to €4.3 million and was subject to a charge payable in the accounts as of December 31, 2019.

Impairment of shares

In the financial statements as of December 31, 2019, the Company recorded impairment of shares of €10 million for Ingenico Holding Asia Ltd and €71 million for Ingenico Holding Asia Ltd I, and of €3 million for impairment of Airlink Technology shares.

Development financing for Ingenico Group SA

On July 19, 2019, Ingenico Group SA repaid, early and in full, the €250 million bank loan it had taken out in September 2017.

NOTE 2 —• Subsequent events

The following transactions took place at the start of the fiscal year 2020

On January 1, 2020, as part of its Fit for Growth transformation strategy, Ingenico Group SA aligned its legal structure with its functional structure by separating its Retail and Banks and Acquirers (B&A) activities. New subsidiaries of the company have been created without changing its function as the Ingenico Group holding company or the conventions and agreements that govern its relations with its subsidiaries.

On February 3, 2020, Worldline SA and Ingenico Group SA announced that their respective Boards of Directors had unanimously approved a merger agreement according to which Worldline would launch a public offer on all Ingenico shares, 81% of which would be paid in shares and 19% in cash, on the basis of the latest share price (as of January 31), and on OCEANE bonds outstanding.

NOTE 3 —• Accounting principles and methods

The accounting principles and methods used were applied in accordance with the conservatism principle and these basic assumptions:

- going concern;
- consistency principle;
- time period concept;

and according to the generally-accepted rules governing the preparation and presentation of annual financial statements.

Items in the accounts are generally valued at historical cost.

The main accounting principles applied by the Group are as follows:

Research and development

Research costs are expensed as incurred.

The costs of development activities (*i.e.*, costs related to the application of research findings to a plan or design for the production of new or substantially improved products or processes) are capitalized if the Company can demonstrate, in particular, that the product or process is technically and commercially feasible and that sufficient resources are available to complete its development.

Such capitalized costs include the cost of materials and direct labor, plus an appropriate share of production overhead costs.

To arrive at reliable estimates for the costs attributable to specific assets, Ingenico Group SA has put in place tools to calculate the time required per project and an appropriate cost accounting system.

Other development costs are expensed as incurred. Capitalized development costs are stated at cost less accumulated depreciation and amortization and impairment losses.

The estimated useful lives range from one to five years.

Other intangible assets

Other intangible assets acquired and constructed by the Company are stated at cost less accumulated depreciation and amortization and impairment losses. Depreciation and amortization are computed using the straight-line method.

The estimated useful lives are as follows:

- software and licenses: one to five years;
- other intangible assets: five years or contractual maturity.

Goodwill

An impairment test (comparing the carrying amounts to the current value) is performed once a year for goodwill with an unlimited useful life, whether or not there is an indication of impairment. Goodwill impairment test procedures are identical to the procedures for equity securities impairment tests as described below.

Property, plant and equipment

Property, plant, and equipment is carried at cost (purchase price and related expenses).

The cost of a self-constructed asset includes the cost of raw materials and direct labor, along with an appropriate share of production overhead costs. When components of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The replacement cost of a component is immediately capitalized under property, plant and equipment if it is likely that the future economic benefits arising from the asset will flow to the Company and its cost can be reliably measured.

All routine maintenance and repair costs are expensed as incurred.

Depreciation and amortization are calculated based on the following depreciation methods and useful lives:

- technical equipment (R&D Department information systems): 4 years, declining balance depreciation;
- other machinery and equipment: 4 years, straight-line depreciation;
- other property, plant and equipment: 3 to 10 years, straight-line or declining balance depreciation.

Financial assets

Equity interests and loans and advances to subsidiaries and associates recorded on the balance sheet are stated at cost, with acquisition expenses included until December 31, 2009. As of 2010, acquisition expenses are expensed.

When the net asset value of equity interests and loans and advances to subsidiaries is less than the carrying amount, an impairment loss is recognized for the difference. The net asset value is equal to the value in use.

Ingenico Group SA assesses the value in use of equity interests and loans and advances to subsidiaries and associates by applying the discounted cash flow method to each entity, less net debt or plus net cash, with a five-year forecast period and discounted terminal value. The Company may also use the fair value method when an expert appraisal is available.

The discount rates used are based on the average cost of capital and the risk associated with the business.

The main assumptions used to determine the recoverable value of equity securities are as follows:

- valuation method: value in use;
- forecast period: 5 years;
- after-tax discount rate and perpetuity growth rate:

	12/31/2019	12/31/2018
Average after-tax discount rate	7.82%	7.65%
Perpetuity growth rate	1.85%	1.80%

The assumptions as to growth rate and weighted average cost of capital used in valuing equity securities have been reviewed against all available global market data.

The weighted average cost of capital is a medium-term rate.

The discount rates have been determined using market data on risk-free rates and specific risk premiums.

After-tax discount rate	B&A EMEA	B&A NAR	B&A LAR	B&A APAC	Retail	Group
2019	**8.71%**	**8.39%**	**13.56%**	**9.05%**	**7.19%**	**7.82%**
After-tax discount rate	**B&A EMEA**	**B&A NAR**	**B&A LAR**	**B&A APAC**	**Retail**	**Group**
2018	8.20%	7.88%	13.25%	8.80%	7.05%	7.65%

Furthermore, at previously troubled subsidiaries that are now on the path to recovery, the impairment losses recognized historically on equity securities may be temporarily maintained until such time as the subsidiary has demonstrated an independent ability to generate profits.

Impairment tests take into account the extent to which an equity investment is strategic and how resilient the entity's business and finances are.

Tax-accelerated depreciation and amortization

Purchased software has been amortized using the rules of ordinary law, and software produced internally is still amortized over 12 months for tax purposes.

Tax-accelerated depreciation and amortization of acquisition expenses is calculated in accordance with current French tax regulations. It is equal to the difference between:

- the depreciation/amortization over the useful lives recorded until December 31, 2009 using the declining balance method;
- the depreciation/amortization recognized on the asset side of the balance sheet.

Tax-accelerated depreciation and amortization provisions and reversals are recognized in non-recurring income for the year.

Trade and related receivables

Receivables are stated at their par value.

The Company recognizes a provision for credit losses determined on the basis of expected credit losses over the life of the receivables. The Company has thus established impairment methods based on internal and external ratings or on the history of losses, adjusted for prospective factors specific to the debtors and to the economic environment.

Expenses incurred in relation to multiple-year contracts for the supply of applications are accounted for as accrued receivables, with margin recognized on a percentage-of-completion basis. The percentage completion is determined through a budgetary review of project completion (actual expenses *versus* projected expenses) and on the basis of attainment of contractually stipulated milestones. A provision for losses on completion of the contract may be recognized, based on the estimated outcome of the transactions.

Transactions in foreign currency

Revenues and expenses denominated in foreign currency are recorded at their euro equivalent on the date of transaction. The differences resulting from the translation of payables and receivables at the closing exchange rate are recorded on the balance sheet under "Translation differences". Hedged foreign-currency receivables and payables are recognized at their hedged rate. A provision is recorded for unrealized foreign exchange losses.

Foreign exchange hedges

The main risks managed by Ingenico Group SA concern financial assets and liabilities in foreign currencies and investments in foreign subsidiaries.

Management of foreign exchange risk related to the depreciation of foreign currencies against the euro for all foreign currency invoices (foreign exchange transaction risk to hedge receivables and payables, as well as future cash flows from budgets) is primarily handled by Ingenico Terminals SAS.

Retirement benefit obligations

Upon retirement, Company employees receive benefits as per the provisions of the collective bargaining agreement by which they are covered. The Company recognizes provisions for retirement benefit obligations. As of December 31, 2019, those obligations were estimated at €0.9 million.

The Company measures and recognizes its retirement benefit obligations in accordance with ANC recommendation 2013-02. The calculation is made using the retrospective method and takes into account the following assumptions:

- social security contribution rates estimated on the basis of actual contribution rates for the various categories of employees;
- voluntary retirement at age 62 or 63;
- an inflation rate of 1.90%;
- a discount rate of 1.05% as at December 31, 2019, compared to 1.70% in the previous year;
- an annual wage adjustment rate of 2.40%, excluding inflation.

Any differences in valuation due to a change in the discount rate are recognized in profit or loss.

Provisions for litigation and claims

Commercial disputes

Provisions for litigation and claims are recognized when the Company has a current obligation in respect of litigation, administrative inquiries, disputes and other claims arising from past events not yet settled, where it is probable that an outflow of economic benefits will be required to settle the obligation and these benefits can be reliably estimated. Ingenico Group SA obtains expert legal advice to assess the probability of the outcomes and to estimate the provisions for litigation and claims.

Tax disputes

During fiscal year 2019 and previous years, Ingenico Group SA was subject to tax audits and, on occasion, correction proposals. The financial consequences of such additional tax adjustments are recognized through provisions for the amounts that have been identified and accepted or are considered likely to result in an outflow of resources which can be reliably estimated.

Ingenico Group SA periodically reviews the estimate of this risk in light of the progress of audits and disputes and believes that current audits will not have a significant impact on its financial situation or its liquidity.

Short-term investments

Financial instruments classified as short-term investments are carried at cost. When their net asset value, which is their market value, is less than cost, an impairment loss is recognized for the difference. Losses are not offset against unrealized gains.

Deferred charges

This item pertains to bond issue expenses, which are amortized on a straight-line basis over the life of the bond.

Business Research Tax Credit, Competitiveness and Employment Tax Credit

The Business Research Tax Credit is recognized as a reduction in corporate income tax.

The CICE for fiscal year 2018 in the amount of €0.4 million was allocated to fund improvements to the Company's competitiveness and has been recognized as a reduction in corporate income tax. Since January 1, 2019, the CICE has been replaced by a reduction in social security contributions.

Free share awards

When the Company buys back its own free shares in the market to award them under free share award plans, the cost of any buybacks carried out or to be carried out in order to meet obligations to beneficiaries of such plans is covered by a provision allocated on a pro rata basis over the free share vesting period, as specified in each plan (two to four years, depending on the beneficiaries). A vesting period of three years was selected for new plans beginning in 2019. At the end of the vesting period, the award of the treasury shares to the plan beneficiaries becomes final. The loss on disposal recognized at that point must be offset by a reversal of the previously recognized impairment of treasury shares.

The net expense related to award plans for free shares purchased on the market, not including expenses rebilled to Group subsidiaries, is reclassified under "Personnel expenses" by way of a credit to the non-recurring expense transfer account. Treasury shares meant to be allocated to employees are recognized in "Short-term investments".

When the Company issues new shares to be used in free share award plans, no provision is recognized.

As of December 31, 2019, it is assumed that the obligations of the current free share award plans will be met by issuing new shares.

Treasury shares

Treasury shares that are not allocated to a free share award plan are recognized as financial assets.

Treasury shares allocated to a free share award plan or held under a liquidity contract are recognized as short-term investments.

As of December 31, 2019, Ingenico Group SA holds 1,315,400 treasury shares recognized as financial assets. No impairment is recorded in the financial statements as of December 31, 2019.

Tax consolidation

The tax consolidation agreements between Ingenico Group SA, the head of the tax consolidation group, and the other companies in the tax consolidation group specify that each subsidiary pays the parent company an amount equal to the income tax the subsidiary would have been required to pay if it had been taxed as a separate entity, net of any loss carry-forwards and carry-backs to which the subsidiary would have been entitled in the absence of tax consolidation.

At the end of a loss-making year for a subsidiary, that subsidiary will have no claim against the parent company, even if the parent company has established a claim against the French Treasury electing to carry back the entire loss of the tax consolidation group.

If a subsidiary withdraws from the tax consolidation group, the parent company and the subsidiary will determine by mutual agreement whether the subsidiary has incurred additional costs as a result of tax consolidation, and if so, whether this entitles the subsidiary to compensation from the parent company.

Revenue recognition

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the service at the reporting date.

When an invoice for services covers a future period, deferred income is recognized on a pro rata basis.

OCEANE Bonds

The decrease in financial liability and increase in capital resulting from the OCEANE conversions are recognized on the share delivery date.

OCEANE conversion requests received but not yet converted at the reporting date are not recognized.

Premiums on Ingenico Group SA stock options

The call option qualifies as a hedge of the OCEANE bond and, as such, the premium is recorded in a cash-flow instruments account and amortized on a straight-line basis over the life of the bond, pursuant to ANC regulation 2015-05.

NOTE 4 —• Changes to accounting methods

None.

NOTE 5 —• Changes in non-current assets and depreciation and amortization

- **Non-current assets**

Items *(in thousands of euros)*	**Gross value at 1/1/2019**	**Increase**	**Transfers between items**	**Decrease**	**Carrying amount at 12/31/2019**
Intangible assets					
R&D, services & applications expenses	89,553	11,347(1)	(1,079)	(5,965)	93,856
Patents, licenses and trademarks	4,781	3,131	1,079	(347)	8,644
Goodwill	1,596	-	-	-	1,596
Other intangible assets:					
• Other	686	-	-	-	686
• Assets, R&D in progress Other	-	-	-	-	-
• Other assets in progress	-	-	-	-	-
Property, plant and equipment					
Building fixtures	-	-	-	-	-
Technical installations, machinery and equipment	221	-	-	-	221
Other property, plant and equipment	53	40	-	-	93
Financial assets					
Equity interests	3,517,331	162,314(2)	-	(153)(3)	3,679,492
Loans and adv to subsidiaries & associates	373,261	16,307(4)	-	(13,613)(5)	375,955
Other financial assets	100,160	3,565(6)	-	(1,964)(7)	101,761
TOTAL	**4,087,642**	**196,705**	**-**	**(22,043)**	**4,262,304**

(1) Includes €10.7 million in capitalized research and development costs in the Hardware business.

(2) Includes €0.1 million in shares of Retail International Holding SAS.
Includes €0.1 million in shares of Retail Enterprise Italia S.P.A.
Includes €114.5 million in shares of Paymark Limited.
Includes €4.3 million in shares of PAYONE Holding GmbH (price adjustment).
Includes €43.4 million in shares of Ingenico France (capital increase).

(3) Includes €0.2 million in shares of M2M (Morocco) (liquidation).

(4) Includes an €8.5 million loan to Ingenico Financial Solutions.

(5) Includes €7.2 million as partial repayment of the Ingenico Canada Ltd loan.
Includes €3.1 million as partial repayment of the Ingenico Pacific loan.

(6) Includes €3.2 million in holdings in the Partech Growth and Partech Entrepreneur II investment funds.
Includes a €0.4 million subscription to the Zone2Boost S.L. joint venture.

(7) Includes award of 44,954 treasury shares for €2.0 million.

Depreciation and amortization

Items *(in thousands of euros)*	Depreciation and amortization accumulated at 1/1/2019	Increase	Transfers between items	Decrease	Depreciation and amortization accumulated at 12/31/2019
Intangible assets					
Research and development expenses	56,303	10,994	-	(5,896)	61,401
Patents, licenses and trademarks	4,395	1,212	-	(309)	5,298
Goodwill	1,571	-	-	-	1,571
Other intangible assets	686	-	-	-	686
Property, plant and equipment					
Building fixtures	-	-	-	-	-
Technical installations, machinery and equipment	221	-	-	-	221
Other property, plant and equipment	41	10	-	-	51
TOTAL	**63,217**	**12,215**	**-**	**(6,204)**	**69,228**

Breakdown of provisions for depreciation and amortization

Straight-line	Diminishing-balance	Non-recurring items
12,215	709	-

Changes in deferred charges

(in thousands of euros)	Amount at the beginning of the year	Increases for the fiscal year	Additions for the fiscal year	Amount at the end of the year
Deferred charges	7,955	-	(2,724)	5,231
Share premium	2,989	-	(621)	2,368

NOTE 6 —• Equity interests

Subsidiaries[(1)] *(in thousands of euros)*	Currency of share capital and equity	Share capital	Reserves, retained earnings, and profit for the last fiscal year (before allocation)	Share of capital held	Carrying amount of shares held: Gross	Carrying amount of shares held: Net	Loans and advances granted by the Company and not yet repaid at 12/31/2019	Loans and advances received by the Company at 12/31/2019	Revenue (excluding tax) for the last fiscal year	Profit/(loss) of last fiscal year ended profit net or (loss)	Dividends recorded by the Company during fiscal year 2019
		In thousands of currency units		*In %*			*In thousands of euros*				
DI DEUTSCHE INGENICO HOLDING GmbH Ratingen - Germany	EUR	259,899	(58,354)	100%	271,401	271,401	23,062	-	-	26,685	669
GCS HOLDING BV The Netherlands	EUR	19	190,640	100%	665,010	665,010	165,100	50,931	-	203	-
GCS HK Private Limited Hong Kong	USD	10	253	100%	1	1	-	-	-	(2)	-
Ingenico Business Support Americas Mexico	MXN	1	(4,289)	99%	-	-	2,623	-	-	(111)	-
INGENICO BUSINESS SUPPORT SAS Paris - France	EUR	16,892	3,818	100%	16,893	16,893	37,384	-	-	78	-
INGENICO CANADA Ltd Ontario - Canada	CAD	44,230	73,413	100%	84,287	84,287	38,767	-	55,256	5,298	-
AIRLINK TECHNOLOGY Taiwan	TWD	30,540	(45,154)	100%	8,058	4,991	1,721	-	4,292	(967)	-
INGENICO CORP.[(2)] Alpharetta - United States	USD	-	51,584	100%	86,229	86,229	33,476	51	-	(1,488)	-
INGENICO CZ s.r.o. Prague - Czech Republic	CZK	3,750	46,995	100%	142	142	117	-	9,087	125	-
INGENICO DO BRASIL Ltda[(2)] Barueri - Brazil	BRL	85,772	143,575	99.94%	29,984	29,984	-	-	239,554	16,897	-
INGENICO E-COMMERCE SOLUTIONS BV The Netherlands	EUR	18	328	100%	19,998	19,998	-	-	11,834	277	1,400
INGENICO E-COMMERCE SOLUTIONS SAS France Paris - France	EUR	40	9	100%	23,000	23,000	-	-	22,158	124	560
INGENICO E-COMMERCE SOLUTIONS SPRL Brussels - Belgium	EUR	375,000	975,884	100%	1,625,632	1,625,632	1,016	45,703	54,667	7,797	12,600
INGENICO EASTERN EUROPE I SARL[(2)] Luxembourg	EUR	13	19	99%	905	905	4,089	-	-	(10)	-
INGENICO FINANCIAL SOLUTIONS SA Brussels - Belgium	EUR	1,800	6,040	100%	8,738	8,738	8,598	-	31,058	1,476	-
INGENICO France SAS Paris - France	EUR	41,739	60,845	100%	127,333	127,333	4,722	70,437	-	(14,145)	3,722
INGENICO GmbH Ratingen - Germany	EUR	3,607	3,853	100%	3,611	3,611	1,171	-	31,051	3,649	3,000
INGENICO HEALTHCARE GmbH Flintbeck - Germany	EUR	500	14,791	100%	1,850	1,850	-	36,080	43,518	13,407	5,900
INGENICO Holdings Asia Limited[(2)] Wanchai - Hong Kong	USD	114,847	21,792	97%	154,685	83,548	-	18,520	-	19,270	28,431

Subsidiaries[1] *(in thousands of euros)*	Currency of share capital and equity	Share capital	Reserves, retained earnings, and profit for the last fiscal year (before allocation)	Share of capital held	Carrying amount of shares held Gross	Net	Loans and advances granted by the Company and not yet repaid at 12/31/2019	Loans and advances received by the Company at 12/31/2019	Revenue (excluding tax) for the last fiscal year	Profit/ (loss) of last fiscal year ended profit net or (loss)	Dividends recorded by the Company during fiscal year 2019
		In thousands of currency units		*In %*			*In thousands of euros*				
Ingenico Holdings Asia II Limited Wanchai - Hong Kong	USD	33,594	(8,543)	100%	25,180	15,308	-	13,807	-	445	-
INGENICO HUNGARY Ltd Budapest - Hungary	HUF	3,000	704,055	100%	12	12	593	-	4,729	416	-
INGENICO IBERIA, SL[2] Madrid - Spain	EUR	8,115	23,018	100%	87,191	87,191	7,790	8,160	29,284	(831)	-
INGENICO ITALIA SpA[2] Milan (MI) - Italy	EUR	2,000	43,686	100%	2,588	2,588	15,872	-	105,683	10,157	12,781
INGENICO INTERNATIONAL INDIA PVT Ltd New Delhi - India	INR	325,702	663,797	100%	3,902	3,902	-	-	45,945	1,963	-
INGENICO INTERNATIONAL (PACIFIC) PTY Ltd[2] Belrose - Australia	AUD	31,593	10,685	99.75%	20,010	20,010	98,192	1,322	72,821	3,157	-
INGENICO INTERNATIONAL (SINGAPORE) Pte Ltd Singapore	SGD	-	-	100%	46,208	46,208	-	15,945	-	-	-
INGENICO LATIN AMERICA Inc.[2] Miami, Florida - USA	USD	1	4,782	100%	418	418	7,760	55,496	55,158	1,441	3,085
INGENICO (UK) LIMITED[2] Northwich, Cheshire - United Kingdom	GBP	-	-	100%	1,544	1,544	-	39,541	-	-	63,404
INGENICO LLC Saint-Petersburg - Russia	RUB	3,448	411,460	100%	15,178	15,178	-	-	69,869	3,481	7,840
Ingenico Mexico SA de CV Mexico City - Mexico	MXN	5	9,647	0%	-	-	-	-	47,177	5,578	-
INGENICO ÖDEME SISTEM ÇÖZÜMLERI AŞ[2] İstanbul - Turkey	TRY	19,613	151,726	100%	18,170	18,170	-	-	64,022	8,749	-
Ingenico Payment Systems Africa SARLAU Casablanca-Anfa Morocco	MAD	500	5,237	100%	45	45	131	-	1,202	28	131
INGENICO PREPAID SERVICES France SAS 75015 Paris - France	EUR	500	868	100%	8,731	8,731	-	1,582	14,754	682	1,343
INGENICO (SUISSE) Granges-Paccot, Switzerland	CHF	140	1,083	100%	1,810	1,810	-	-	3,822	853	1,162
INGENICO TERMINALS SAS Paris - France	EUR	193,227	4,767	100%	193,246	193,246	-	95,359	587,976	30,170	32,176
INGENICO BARCELONA SA Madrid - Spain	EUR	7,302	1,359	0%	3	-	-	-	-	(41)	-
INGENICO VIETNAM CO Ltd Vietnam	USD	4,538,000	13,008,603	100%	189	189	-	-	2,901	369	181
NATURAL SECURITY SAS 59044 Lille - France	EUR	882	(545)	0%	774	-	-	-	-	-	-
B&A International Holding SAS Paris - France	EUR	-	42	100%	59	59	-	-	-	(5)	-
INGENICO JAPAN CO Ltd Tokyo - Japan	JPY	100,000	157,449	100%	6,897	6,897	9,173	-	17,993	1,420	-

Subsidiaries[1] *(in thousands of euros)*	Currency of share capital and equity	Share capital	Reserves, retained earnings, and profit for the last fiscal year (before allocation)	Share of capital held	Carrying amount of shares held Gross	Carrying amount of shares held Net	Loans and advances granted by the Company and not yet repaid at 12/31/2019	Loans and advances received by the Company at 12/31/2019	Revenue (excluding tax) for the last fiscal year	Profit/ (loss) of last fiscal year ended profit net or (loss)	Dividends recorded by the Company during fiscal year 2019
		In thousands of currency units		*In %*			*In thousands of euros*				
INGENICO PAYMENT SERVICES INDONESIA Indonesia	USD	3,446,750	7,122,379	100%	53	53	-	-	(3)	(9)	-
SECURE TRANSACTION LLC Ukraine	USD	300	43,418	100%	4,962	4,962	-	-	5,798	179	-
SKYWAY WEALTH HK INVESTMENT LIMITED Hong Kong	USD	-	-	1%	-	-	-	-	-	-	-
PAYMARK LIMITED New Zealand	NZD	90	33,098	100%	114,467	114,467	-	-	41,558	9,609	5,834
RETAIL INTERNATIONAL HOLDING Paris - France	EUR	10	38	100%	50	50	-	-	-	(2)	-
RETAIL ENTERPRISE ITALIA SPA Italy	EUR	-	-	100%	50	50	-	-	-	-	-
TOTAL		**-**	**-**	**-**	**3,679,492**	**3,594,641**	**461,357**	**452,934**	**1,673,164**	**156,373**	**184,220**

(1) *Profit or loss data for foreign subsidiaries are translated into euros at the average exchange rate for the year and balance sheet items are translated at the closing rate.*
Data provided based on provisional, unaudited accounting figures.

(2) *Sub-group.*

NOTE 7 —• Receivables

Items *(in thousands of euros)*	Gross amount	Up to 1 year	More than 1 year
Receivables on non-current assets			
Loans and advances to subsidiaries and associates	375,955	7,714	368,240
Receivables on current assets			
Doubtful or disputed accounts	50	50	-
Other trade receivables	67,168	67,168	-
Income tax receivables	16,767	16,767	-
VAT receivables	9,853	9,853	-
Group current accounts – cash pooling[1]	85,401	85,401	-
Other receivables	1,261	1,261	-
Prepaid expenses	685	363	322
TOTAL AT 12/31/2019	**557,140**	**188,577**	**368,562**
Total at 12/31/2018	**534,223**	**168,598**	**365,626**

(1) *Group current accounts primarily consist of advances granted by Ingenico Group SA to its subsidiaries and current accounts with other Ingenico Group companies.*

NOTE 8 —• Short-term investments

Type of security *(in thousands of euros)*	Gross carrying amount	Net asset value	Impairment
UCITS and other instruments classified as short-term investments	139,138	139,132	7
TOTAL SHORT-TERM INVESTMENTS	**139,138**	**139,132**	**7**

NOTE 9 —• Changes in shareholders' equity and treasury shares

Ingenico's share capital consists of 63,713,047 shares of €1 each, including 4,414,152 shares with double voting rights and 1,315,400 treasury shares.

During the year, 534,871 new shares were issued by distributing stock dividends and 33,649 shares in respect of employee share offers.

Changes in shareholders' equity

(in thousands of euros)	As of January 1, 2019	Allocation of profit in 2018	Movements in 2019	At December 31, 2019
Share capital	63,144	535	34	63,713
Issue premiums	967,602	34,012	1,716	1,003,331
Legal reserve	6,240	75	-	6,315
Retained earnings	685,793	90,719	-	776,512
Profit for the year	158,757	(158,757)	133,199	133,199
Regulated provisions	5,149	-	709	5,857
2018 dividends paid in 2019	-	33,415	-	-
TOTAL	**1,886,685**	**-**		**1,988,927**

Treasury shares

	2019		2018	
(in thousands of euros)	Quantity	Net amount *(in thousands of euros)*	Quantity	Net amount *(in thousands of euros)*
Unallocated treasury shares	1,315,400	86,803	1,360,354	88,763
Treasury shares held under the liquidity contract	-	-	-	-
TOTAL	**1,315,400**	**86,803**	**1,360,354**	**88,763**

Free share award plan and stock option plans

	2019				
	Shares outstanding at January 1	Shares granted during the year	Share awards exercised during the year	Shares cancelled or expired, other movements	Free shares outstanding at December 31
Free share awards	272,385	471,361	43,000	84,556	616,190
Joint investment	317,094	-	-	109,452	207,642
TOTAL	**589,479**	**471,361**	**43,000**	**194,008**	**823,832**

On June 11, 2019, the Board of Directors, on the basis of the authorization granted by the Annual General Shareholders' Meeting of April 29, 2016, decided to set up a new program of free share awards for the benefit of certain employees of French and foreign companies in the Group. The total number of shares to be awarded at the end of a three-year vesting period is 471,361 subject to conditions of continuous service and will be determined according to the level of achievement of the performance conditions associated with the growth of EBITDA, Group revenue and Ingenico Group share price performance.

As part of the free share award and joint investment plans launched in 2015, the vesting periods of which expired in 2019, 43,000 treasury shares were allocated to beneficiaries.

The remaining €2 million share award acquired by the beneficiaries was taken from treasury shares.

- **Other share-based payments**

The Group may award some of its employees with indexed compensation to the share price of Ingenico Group SA or to the shares of other Group entities and settled in cash.

NOTE 10 —• Provisions and impairment

(in thousands of euros)	Amount at 1/1/2019	Additions	Transfers between items	Reversals used	Reversals not used	Other movements	Amount at 12/31/2019
I – Regulated provisions							
Tax-accelerated depreciation and amortization	5,149	865	-	(156)	-	-	5,857
TOTAL REGULATED PROVISIONS	**5,149**	**865**	**-**	**(156)**	**-**	**-**	**5,857**
II – Provisions for liabilities and charges							
Provisions for litigation in comm. courts & industrial tribunals	2,695	376	-	(151)	-	-	2,921
Provisions for warranties	-	-	-	-	-	-	-
Provisions for foreign exchange losses	5,000	5,064	-	(5,000)	-	-	5,064
Provisions for retirement benefit obligations	1,265	113	-	(455)	-	-	923
Provisions for taxes	94	-	-	-	-	-	94
Other provisions for liabilities and charges	-	-	-	-	-	-	-
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES	**9,055**	**5,553**	**-**	**(5,606)**	**-**	**-**	**9,002**
III – Impairment							
Property, plant and equipment	-	-	-	-	-	-	-
Financial assets	15,521	84,075	-	-	(14,744)(1)	-	84,851
Inventories	-	-	-	-	-	-	-
Trade receivables	50	-	-	-	-	-	50
Other receivables	-	4,722	-	-	-	-	4,722
Short-term investments	8	7	-	(8)	-	-	7
TOTAL FOR IMPAIRMENT	**15,579**	**88,804**	**-**	**(8)**	**(14,744)**	**-**	**89,630**
TOTAL	**29,783**	**95,221**	**-**	**(5,770)**	**(14,744)**	**-**	**104,490**
Provisions and impairment							
• for operating items	-	489	-	606	-	-	-
• for financial items	-	93,867	-	5,008	14,744	-	-
• for non-recurring items	-	865	-	156	-	-	-

(1) Includes reversal of provisions for impairment of treasury shares of €14.7 million.

NOTE 11 —• Bank borrowings and debt and bond issues

(in thousands of euros)	Balance at 12/31/2019	Initial term	Maturity date
Medium-term borrowings			
2017 bond issue	600,000	7 years	September 13, 2024
2014 bond issue	450,000	7 years	May 20, 2021
2015 OCEANE bond issue	500,000	7 years	June 26, 2022
Other 2018 financial debt	55,000	7 years	May 29, 2025
Accrued interest on loan(1)	8,853		
Short-term borrowings			
Bank overdrafts	92		
Commercial paper	440,000		
Other 2017 financial debt	50,000	3 years	December 19, 2020
TOTAL	**2,103,945**		

(1) Includes interest on bond debt: €8.3 million.

Bond issues

On September 13, 2017, Ingenico Group SA issued a bond maturing on September 13, 2024. The principal amount of the issue is €600 million (6,000 bonds with a par value of €100,000 each). The bonds carry a coupon of 1.625%. The bond issue expenses are amortized over the initial term of the bond.

On May 20, 2014, the Company launched a €450 million bond issue (4,500 bonds with a par value of €100,000 each). The projected redemption date is May 20, 2021 and the annual coupon is 2.50%. The bond issue expenses are amortized over the initial term of the bond.

2015 OCEANE bond

In 2015, Ingenico issued an OCEANE bond with a call date of June 26, 2015 and a maturity date of June 26, 2022. The total principal amount of the issue was €500 million, or 2,904,443 bonds with a par value of €172.15 each and a one-to-one conversion ratio. The bonds have no coupon.

The conversion ratio was adjusted after allocation of the 2015 dividend. One bond may now be converted into 1.002 new and/or existing Ingenico Group SA shares.

The issue costs of the OCEANE bond were recorded in "Deferred charges" for 2015 on the asset side of the balance sheet and amortized over the life of the bond (see Note 4).

In 2016, as part of the approval of the Ingenico Group SA demerger by the bondholders, additional costs were recorded in "Deferred charges" on the asset side of the balance sheet and amortized at the same rate and under the same conditions as the initial costs.

The risk of dilution that could result from this OCEANE bond was partially hedged in November 2016 by the purchase of 1,500,000 call options.

Syndicated credit facility

On July 29, 2014, Ingenico Group SA contracted a €600 million syndicated credit facility maturing in 2019, structured as a €100 million term loan (fully repaid in July 2015) and a €500 million revolving credit facility. When drawn down, this facility bears interest at a variable rate (Euribor 1 to 6 months) plus margin.

In June 2016, the maturity of the syndicated credit facility was extended by two years to July 29, 2021.

On December 21, 2016, a rider was attached to the syndicated credit facility. The amount was increased to €750 million, two additional extension options (one year each) were granted and the bank syndicate was slightly expanded.

On July 6, 2018, the Group renegotiated its syndicated credit facility of €750 million, exercising both of its one-year extension options, thus extending the maturity to July 29, 2023. This facility is not subject to any covenant.

Note that the syndicated credit facility was undrawn at December 31, 2019 and is not subject to any financial covenants as of July 2016.

The initial issue expenses and renegotiation costs are amortized over the new term of the facility, *i.e.*, until July 29, 2021.

Bank loan of €250 million

In September 2017, Ingenico Group SA contracted a bank loan with a nominal value of €250 million, which was activated on March 14, 2018, for a maturity of three years. The remuneration of the loan is variable and based on the Euribor 6 months plus margin. Issue expenses were €0.7 million. They were recorded as assets and amortized over the life of the loan. This loan is not subject to any covenant. It was repaid in advance and in full on July 19, 2019.

Other financial liabilities

In December 2017, Ingenico Group SA made a private investment of €50 million, maturing in three years at a fixed rate of 0.647%.

In May 2018, Ingenico Group SA made two private placements in the amounts of €25 million and €30 million, with a maturity of seven years, at a fixed rate of 1.677%.

Commercial paper

During 2019, Ingenico Group SA issued and repaid commercial paper for €35 million. Since June 7, 2018, the ceiling for its commercial paper program has been maintained at €750 million.

As of December 31, 2019, commercial paper amounts to €440 million.

NOTE 12 —• Liabilities

(in thousands of euros)	Gross amount	Up to 1 year	More than 1 year and less than 5 years	More than 5 years
OCEANE bonds	500,000	-	500,000	-
Bond issues	1,058,276	8,276	1,050,000	-
Bank borrowings and debt	105,669	50,669	-	55,000
Other borrowings and liabilities	894,796	894,796	-	-
Trade payables and related accounts	91,324	91,324	-	-
Payroll and related expenses	8,570	8,569	-	-
Social security and related liabilities	4,830	4,830	-	-
Payables to government	213	213	-	-
Other taxes and similar duties	14	14	-	-
Other debts	48,553	48,553	-	-
Deferred income	290	290	-	-
TOTAL AT 12/31/2019	**2,712,535**	**1,107,534**	**1,550,000**	**55,000**
Total at 12/31/2018	**2,763,300**	**858,300**	**1,250,000**	**655,000**

NOTE 13 —• Accrued income and charges

Statement of accrued income *(in thousands of euros)*	12/31/2019	12/31/2018
Trade receivables and related accounts	963	2,544
Government – Operating grants	12	-
State – CVAE (French value added tax)	294	980
Other receivables: Supplier credits earned but not yet received	233	3,963
Cash	23	-
TOTAL ACCRUED INCOME	**1,525**	**7,487**

Statement of accrued charges *(in thousands of euros)*	**12/31/2019**	**12/31/2018**
Bank borrowings and debt	8,853	9,634
Trade payables and related accounts	17,565	18,450
Tax and social security liabilities	12,480	16,189
Other debts	750	550
TOTAL ACCRUED CHARGES	**39,648**	**44,823**

NOTE 14 —• Breakdown of revenue

Breakdown by geographical area *(in thousands of euros)*	**2019**	**2018**
France (mainland and overseas depts.)	16,902	18,667
APAC (Asia Pacific)	9,103	9,589
EMEA (Europe, Middle East and Africa)	44,545	44,273
LAR and NAR (Latin America and North America)	13,785	15,331
TOTAL	**84,335**	**87,860**

NOTE 15 —• Average workforce

Employees	**2019**	**2018**
Executives and engineers	127	134
Clerical staff, technicians and supervisors	2	2
TOTAL	**129**	**136**

NOTE 16 —• Capitalized research and development costs

(in thousands of euros)	**2019**	**2018**
Capitalized research and development costs	10,721	13,165
Total R&D expenditure (costs and investment)	58,970	79,017
% OF R&D COSTS CAPITALIZED	**18%**	**17%**

NOTE 17 —• Net financial income

Nature *(in thousands of euros)*	Notes	2019	2018
Financial income			
Income from equity interests	(1)	184,220	126,432
Foreign exchange gains		43,202	48,388
Income from other receivables	(2)	13,830	15,283
Gains on disposal of short-term investments		178	388
Reversal of provisions and account transfers	(3)	19,752	4,252
Other income	(4)	3,189	3,035
TOTAL FINANCIAL INCOME		**264,372**	**197,778**
Financial expenses			
Foreign exchange losses		41,191	60,452
Amortization and provisions	(5)	94,488	20,220
Interest expense		28,102	26,983
Net losses on disposal of short-term investments		73	328
Other financial expenses		83	82
TOTAL FINANCIAL EXPENSES		**163,937**	**108,066**
Net financial income		**100,434**	**89,713**

(1) Includes €184.2 million in dividends received from subsidiaries (see Note 6).
(2) Interest on loans to subsidiaries and current accounts.
(3) Includes €14.6 million for the reversal of the impairment of treasury shares.
(4) Includes €3.1 million in income from interest rate swaps.
(5) Includes a €5.1 million provision for exchange rate loss.
Includes €84.1 million for impairment of equity interests
Includes €4.7 million for impairment of current accounts

NOTE 18 —• Non-recurring profit/loss

Nature *(in thousands of euros)*	2019	2018
Non-recurring income		
Gains on disposal of assets	71	200,247
Tax-accelerated depreciation and amortization reversals	156	268
Account transfers	92	9
TOTAL NON-RECURRING INCOME	**319**	**200,524**
Non-recurring expenses		
Losses on disposal of assets	260	199,773
Tax-accelerated depreciation and amortization provisions	865	-
Losses on buybacks of shares	1,960	852
Penalties	(80)	(1,663)
TOTAL NON-RECURRING EXPENSES	**3,005**	**198,962**
Non-recurring profit/loss	**(2,686)**	**1,562**

NOTE 19 —• Corporate income taxes

● Income tax breakdown before and after non-recurring items

(in thousands of euros)	2019	2018
Profit for the year	**133,199**	**158,757**
Income tax on profit of current items	(8,075)	(14,993)
Income tax on non-recurring income and expenses	898	(538)
TOTAL INCOME TAX	**(7,177)**	**(15,531)**
Profit before income tax	**126,022**	**143,226**

● Changes in deferred tax liabilities

The decrease and increase in future tax liabilities for 2019 and 2018 were determined by taking into account the rate of corporation tax applicable on the likely date of the reversal.

Type of temporary difference *(in thousands of euros)*	2019	2018
Regulated provisions		
Tax-accelerated depreciation and amortization	234	63
TOTAL INCREASE	**234**	**63**
Provisions and accrued charges not deductible in accounting period		
Solidarity contribution	74	95
Construction costs	29	33
Provision for retirement	241	336
Acquisition expenses	1,897	2,841
Equity interests	189	224
Other		
Translation differences (liabilities)	1,554	2,846
TOTAL TAX RELIEF	**3,985**	**6,375**

NOTE 20 —• Executive compensation

Compensation paid to members of the administrative bodies in fiscal year 2019 amounted to €0.8 million. Compensation paid to management bodies amounted to €0.9 million.

NOTE 21 —• Statutory Auditors' fees

	2019	
(in thousands of euros)	KPMG SA	Mazars
Certification of annuals accounts	264	312
Other services	33	-
TOTAL	**297**	**312**

Other services include services related to the certification of annual accounts, including those required by law.

NOTE 22 —• Off-balance sheet commitments

Commitments given *(in thousands of euros)*			2019	2018
Various guarantees			**5,836**	**6,556**
Liability warranty as part of the disposal of 20% stake in Ingenico Holdings Asia: Standard warranties until October 2016, Tax warranties until June 2022 and Basic warranties valid until expiration of time limit for tax claims			-	22,826
As part of the acquisition of Bambora, Ingenico Group SA took over a guarantee to credit card companies totaling €90.9 million, €69.8 million of which is included in the balance sheet.			21,100	21,834
Liability warranty associated with the merger of the assets of Ingenico's Retail business with those of BS Payone in the DACH region (Germany, Austria, Switzerland)				
Principal warranties: until January 7, 2021			75,000	-
Basic warranties: until January 7, 2024			500,000	-
Tax warranties: 6 months following expiry of the non-binding deadline for the relevant taxes			75,000	-
Liability warranty received as part of the disposal of Healthcare activities by **Ingenico France** Standard warranties: until October 31, 2021			3,500	-
Basic warranties: until the deadline			15,500	-
Potential price adjustment in favor of the buyer: up to €2.5 million				
As part of policy to hedge foreign exchange exposure:				
On existing assets and receivables and on future flows (valued at closing exchange rates)				
• Forward contracts to purchase/sell CNY	KCNY 0	(KCNY 90,000 in 2018)	-	11,428
• Forward contracts to purchase/sell JPY	KJPY 0	(KJPY 2,000 in 2018)	-	16
• Forward contracts to purchase/sell USD	KUSD 0	(KUSD (1,438) in 2018)	-	(1,256)
• Forward contracts to purchase/sell MXN	KMXN 74,684	(KMXN 2,000 in 2018)	3,519	88
• Forward contracts to purchase/sell AUD	KAUD 149,091	(KAUD 155,928 in 2018)	93,211	96,133
• SEK currency swaps	KSEK 0	(KSEK 0 in 2018)	-	-
• GBP currency swaps	KGBP (33,000)	(KGBP (65,289) in 2018)	(38,787)	(72,987)
• CAD currency swaps	KCAD 55,983	(KCAD 66,731 in 2018)	38,350	42,763
• USD currency swaps	KUSD (71,188)	(KUSD 29,225 in 2018)	(63,369)	25,524
• JPY currency swaps	KJPY 1,116,592	(KJPY 617,609 in 2018)	9,157	4,908
• NZD currency swaps	KNZD 55,833	(KNZD (62,000) in 2018)	33,529	(36,351)
• MXN currency swaps	KMXN (19,778)	(KMXN 0 in 2018)	(932)	-
As part of policy to hedge interest rate exposure:				
Interest rate swaps (Nominal at closing)			225,000	225,000
Other commitments given				
Partech Growth			1,114	3,892
Partech Entrepreneur II			31	128
Zone2Boost			600	-
Minimum future rentals on non-cancellable contracts			25,659	35,567

Commitments received *(in thousands of euros)*	**2019**	**2018**
Liability warranty received as part of **Ogone** acquisition (excluding special warranty)		
Corporate warranty: unlimited in time	89,325	89,325
Lyudia		
General warranties: 24 months from April 26, 2016 Tax warranties: 5 years	-	3,333
Nera Payment Services		
Basic warranties: unlimited Tax warranties: 6 years Other warranties: 1 year	13,600	13,160
Paymark		
Basic warranties: 7 years Other disputes: 2 years up to NZ$70 million Above this amount, basic warranties: 10 years	42,000	41,041
Airlink Technology		
Liability warranty in connection with the acquisition of Airlink Tax warranties: 7 years Social and legal warranties: 5 years Other corporate warranties: 3 years	8,617	8,242
As part of the merger of the assets of Ingenico's Retail business with those of BS Payone in the DACH region, a warranty was given to Mastercard regarding the card acquiring license.	22,300	-
Warranties granted to customers on equipment and supplier contracts	51,200	-
Liability warranty associated with the merger of the assets of Ingenico's Retail business with those of BS Payone in the DACH region (Germany, Austria, Switzerland)		
Principal warranties: until January 7, 2021	75,000	-
Basic warranties: until January 7, 2024	500,000	-
Tax warranties: 6 months following expiry of the non-binding deadline for the relevant taxes	75,000	-

6.5 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

To the Annual General Shareholders' Meeting of Ingenico Group SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Shareholders' Meeting, we have audited the accompanying annual financial statements of Ingenico Group SA for the fiscal year ended December 31, 2019.

In our opinion, the parent company annual financial statements give a true and fair view of the assets, liabilities, financial position and results of the Company for the preceding fiscal year in accordance with generally accepted accounting principles in France.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

Justification of our opinion

Auditing guidelines

We conducted our audit in accordance with the professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the section of this report on "Responsibilities of the Statutory Auditors regarding the auditing of the annual financial statements".

Independence

We conducted our audit for the period from January 1, 2019 to the date of our report in compliance with the independence rules applicable to us, and specifically, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics (Code de Déontologie) for statutory auditors.

Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (Code de Commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the annual financial statements for the period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the annual financial statements, as a whole, and forming our opinion thereon. We do not express a separate opinion on individual items in these annual financial statements.

Key points of our audit	Responses provided during our audit
Valuation of equity interests and loans and advances to subsidiaries and associates As of December 31, 2019, equity interests were recorded on the balance sheet at a net carrying amount of €3,595 million, and loans and advances to subsidiaries and associates at a net carrying amount of €376 million. When the value in use of equity interests and loans and advances to subsidiaries and associates is less than their carrying amount, an impairment loss is recognized for the difference. As indicated in Note 3 of the notes to the annual financial statements, the determination of the value in use of these equity interests requires a decision from the management to determine the items to take into consideration, which correspond mainly to forecasts of discounted net cash flows. We have considered that the valuation of equity interests and loans and advances to subsidiaries and associates is a key point of the audit, due to their significance in the Company's accounts and as the calculation of their value in use is based on management assumptions, estimates or assessments.	Our work consisted of: • obtaining an understanding of the procedures used by the management to implement impairment tests; • analyzing the reasonable nature of cash flow projections based on the latest five-year business forecasts prepared by the management; • assessing the consistency between long-term growth rates and the weighted average cost of capital and market analyses, with the assistance of our valuation experts; • checking that the value resulting from cash flow forecasts has been adjusted to take into account the debt of the entity in question.
Provisions for litigation and claims The Company's business activities are subject to many regulations, including commercial and tax regulations in France and internationally. In this context, the Company's business activities may involve risks, disputes or litigation with third parties. As indicated in Note 3 of the notes to the annual financial statements, the commercial and tax litigation proceedings arising in connection with the Company's business activities are regularly reviewed by the Company's Legal Department and are covered by provisions, if it believes that it is likely that an outflow of resources will be required to cover the risk incurred and when such an outflow can be reliably estimated. We considered that this area was a key point of our audit given the significant nature of litigation and claims and the high level of judgment required by the management to determine such provisions in a context of multiple regulatory conditions and constant changes.	To obtain an understanding of existing litigation, claims and judgment-related items, we interviewed the Company's management, analyzed the procedures used to identify litigation and questioned the main legal firms used by the management. For each of the major litigation proceedings and claims identified, we: • reviewed the process used by the management to calculate the relevant provisions and determine which information to disclose in the notes; • performed a critical review of internal analysis notes relating to the probability and the potential impact of each risk, by examining the procedural elements (correspondence, claims, judgments, notifications, etc.) available and the legal or technical advice provided by the legal firms or external experts used by the management; • assessed the methodology used to calculate the provisions and tested the underlying data used; • obtained written consultations from the legal firms or external experts that assisted the Company in the context of any litigation identified; • exercised our professional judgment, with the help of our own experts where necessary, to assess the positions used by the management and the suitability of any changes over time to these positions.

Specific verifications

We have also performed the specific verifications required by the laws and regulations, in accordance with professional standards applicable in France.

Information given in the management report and in other documents sent to shareholders on the financial position and annual financial statements

We have no matters to report regarding the fair presentation and the consistency with the parent company annual financial statements of the information given in the Board of Directors' management report and in other documents sent to shareholders with respect to the Company's financial position and annual financial statements.

We confirm that the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (Code de commerce) is fairly presented and is consistent with the annual financial statements.

Report on corporate governance

We confirm that the Board of Directors' report on corporate governance contains the disclosures required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

With regard to the information supplied pursuant to Article L.225-37-3 of the French Commercial Code on the compensation and benefits paid or awarded to the Company's directors and executive officers and on commitments made to them, we verified the consistency of this information with the parent company annual financial statements or with the data used as a basis for preparing these financial statements and, where relevant, with the evidence collected by your Company from the companies it controls that fall within the scope of consolidation. Based on our work, we attest to the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.225-37-5 of the French Commercial Code (Code de commerce), we have confirmed that this information is consistent with the source documents submitted to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have ensured that the required information concerning the purchase of equity interests and controlling interests in the Company and the names of the holders of shares or voting rights have been properly disclosed in the management report.

Information resulting from other legal and regulatory obligations

Appointment of statutory auditors

KPMG were appointed as the statutory auditors of Ingenico Group SA by the Annual General Shareholders' Meeting of June 10, 1986; Mazars were appointed on April 29, 2013.

As of December 31, 2019, KPMG was in its 34th year of continuous engagement and Mazars was in its 7th year.

Responsibilities of management and those charged with governance for the annual financial statements

The management is responsible for the preparation and fair presentation of the annual financial statements in accordance with French accounting rules and principles, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial information preparation process and the effectiveness of the internal control and risk management systems. Where applicable, it is also responsible for the internal audit process, in terms of the procedures relating to the preparation and processing of accounting and financial information.

These annual financial statements were approved by the Board of Directors on February 25, 2020.

Responsibilities of the statutory auditors regarding the auditing of the annual financial statements

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance whether the annual financial statements, taken as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of the management of the affairs of your Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout this audit. Furthermore, the statutory auditor:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of failing to detect a material misstatement resulting from fraud is greater than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management in the annual financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We present a report to the Audit Committee which specifically includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements for the period and are considered key audit matters. It is our responsibility to describe such risks in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris la Défense, February 25, 2020

The statutory auditors

KPMG AUDIT	MAZARS
Département de KPMG SA	
Frédéric Quelin	Ariane Mignon

6.6 FIVE-YEAR FINANCIAL SUMMARY

Reporting date (12-month accounting period) *(in thousands of euros)*	**12/31/2015**	**12/31/2016**	**12/31/2017**	**12/31/2018**	**12/31/2019**
Capital at year end					
Share capital in thousands of euros	60,991	61,493	62,363	63,144	63,713
Number of ordinary shares issued	60,990,600	61,493,241	62,363,114	63,144,527	63,713,047
Key income statement data					
Revenue (excluding tax)	832,112	324,842	56,737	87,860	84,335
Profit before income taxes, profit-sharing, depreciation, amortization and provisions	491,999	261,034	203,375	171,592	216,073
Income tax (incl. contr. on dividends)	88,096	46,080	33,236	(15,531)	(7,177)
Employee profit-sharing for the year	4,387	1,631	(44)	330	(216)
EPS after income taxes, profit-sharing, depreciation, amortization and provisions	369,939	202,929	172,604	158,757	133,199
Dividends distributed	79,288	92,240	99,781	69,459	–
Per-share data *(in euros)*					
EPS after income taxes, profit-sharing but before depreciation, amortization and provisions	6.55	3.47	2.73	2.96	3.51
EPS after income taxes, profit-sharing, depreciation, amortization and provisions	6.07	3.30	2.77	2.51	2.09
Dividend per share(1)	1.30	1.50	1.60	1.10	–
Personnel					
Average number of employees	909	328	139	136	129
Total payroll	75,489	37,226	21,840	25,250	20,911
incl. free share awards	118	-	32	10	92
Total benefits incl. social security expenses	48,865	21,230	11,475	11,300	10,016

(1) The proposed dividend per share to be submitted to the Combined Ordinary and Extraordinary Shareholders' Meeting of June 11, 2020 was agreed by the Board of Directors on April 22, 2020.

7

COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING ON JUNE 11, 2020

7.1 DRAFT AGENDA AND PROPOSED RESOLUTIONS

Draft agenda

Ordinary resolutions

First resolution – Approval of the annual financial statements for the year ended December 31, 2019 and approval of non-tax-deductible expenses.

Second resolution – Approval of the consolidated financial statements for the year ended December 31, 2019.

Third resolution – Statutory Auditors' special report on the agreements covered under Article L.225-38 *et seq.* of the French Commercial Code.

Fourth resolution – Reappointment of Mr. Bernard BOURIGEAUD as Director.

Fifth resolution – Reappointment of Ms. Caroline PAROT as Director.

Sixth resolution – Reappointment of Ms. Nazan SOMER ÖZELGIN as Director.

Seventh resolution – Approval of the disclosures required under section I of Article L.225-37-3 of the French Commercial Code.

Eighth resolution – Approval of fixed, variable and non-recurring components of the total compensation and benefits of any kind paid during the previous year or allocated for that year to Mr. Bernard BOURIGEAUD, Chairman of the Board of Directors.

Ninth resolution – Approval of fixed, variable and non-recurring components of the total compensation and benefits of any kind paid during the previous year or allocated for that year to Mr. Nicolas HUSS, Chief Executive Officer.

Tenth resolution – Approval of the compensation policy for members of the Board of Directors.

Eleventh resolution – Approval of the compensation policy for the Chairman of the Board of Directors.

Twelfth resolution – Approval of the compensation policy for the Chief Executive Officer.

Thirteenth resolution – Authorization of the Board of Directors to repurchase Company shares, pursuant to Article L.225-209 of the French Commercial Code; duration, purpose, procedure, limit, and suspension of this authorization during a public offer period.

Extraordinary resolutions

Fourteenth resolution – Allocation of net profit for the year and dividend.

Fifteenth resolution – Authorization of the Board of Directors to cancel Company shares repurchased by the Company pursuant to Article L.225-209 of the French Commercial Code; duration, limit, and suspension of this authorization during a public offer period.

Sixteenth resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights retained; duration of the delegation of authority, maximum nominal value of the capital increase, possibility of offering unsubscribed shares to the public, suspension of this delegation of authority during a public offer period.

Seventeenth resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights waived, by public offer except for the one adressed in Article L. 411-2 1° of the French Monetary and Financial Code, and/or in consideration for shares as part of a public exchange offer; duration of the delegation of authority, maximum nominal value of the capital increase, issue price, possibility of limiting the issue to the amount of subscriptions or to distribute unsubscribed shares, suspension of this delegation of authority during a public offer period.

Eighteenth resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights waived, by an offer referred to in section II of Article L.411-2 of the French Monetary and Financial Code; duration of the delegation of authority, maximum nominal value of the capital increase, issue price, possibility of limiting the issue to the amount of subscriptions or to distribute unsubscribed shares, suspension of this delegation of authority during a public offer period.

Nineteenth resolution – Authorization to increase the value of issues and suspension of this authorization during a public offer period.

Twentieth resolution – Delegated authority to be granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities conferring entitlement to share capital as consideration for contributions in kind consisting of capital securities or securities conferring entitlement to the share capital, subject to the limit of 10% of the share capital; duration of the delegation of authority and suspension during a public offer period.

Twenty-first resolution – Overall limit of delegated authority in respect of immediate and/or future capital increases.

Twenty-second resolution – Delegated authority to be granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities conferring entitlement to share capital, with preferential subscription rights waived, to employees who are members of a company savings plan, pursuant to Articles L.3332-18 *et seq.* of the French Labor Code; duration of the delegation of authority, maximum nominal value of the capital increase, issue price, option to grant free shares pursuant to Article L.3332-21 of the French Labor Code, suspension of this authorization during a public offer period.

Twenty-third resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares, with preferential subscription rights waived, to employees, directors and executive officers of Group companies with registered offices outside France who are not members of a company savings plan; duration of the delegation of authority, maximum amount of the capital increase, issue price, suspension of this delegation of authority during a public offer period.

Twenty-fourth resolution – Amendment of Article 12 of the Articles of Association regarding provisions relating to directors representing employees.

Twenty-fifth resolution – Amendment of the Articles of Association authorizing the Board of Directors to make certain decisions by means of written consultation.

Twenty-sixth resolution – Harmonization of Articles 11, 14, 15 and 19 of the Articles of Association.

Twenty-seventh resolution – Powers for formalities.

Proposed resolutions for the Annual General Shareholders' Meeting

Ordinary resolutions

First resolution – Approval of the annual financial statements for the year ended December 31, 2019 and approval of non-tax-deductible expenses

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, and having reviewed the reports of the Board of Directors and the Statutory Auditors for the year ended December 31, 2019, hereby approves the annual financial statements, as presented, which show a net profit of €133,199,098.14.

The Annual General Shareholders' Meeting approves the amount of expenses and charges as defined in Article 39-4 of the French General Tax Code, *i.e.*, €76,671, as well as the related tax liability.

Second resolution – Approval of the consolidated financial statements for the year ended December 31, 2019

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, and having reviewed the reports of the Board of Directors and the Statutory Auditors on the consolidated financial statements as of December 31, 2019, hereby approves those financial statements as presented, which show a net profit (Group share) of €207,998 thousands.

Third resolution – Statutory Auditors' special report on the agreements covered under Article L.225-38 *et seq.* of the French Commercial Code and approval of these agreements

Deliberating on the Statutory Auditors' special report on regulated agreements and commitments with which it was presented, with the quorum and majority required for Ordinary Shareholders' Meetings, the Annual General Shareholders' Meeting hereby acknowledges (i) the information regarding the agreements entered into and the commitments made during previous financial years and (ii) the absence of any new agreement entered into during the financial year ended December 31, 2019.

Fourth resolution – Reappointment of Mr. Bernard BOURIGEAUD as director

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, hereby resolves to reappoint Mr. Bernard BOURIGEAUD as a director for a term of three years, expiring at the end of the Shareholders' Meeting held in 2023 to approve the financial statements for the previous year.

Fifth resolution – Reappointment of Ms. Caroline PAROT as director

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, hereby resolves to reappoint Ms. Caroline PAROT as a director for a term of three years, expiring at the end of the Shareholders' Meeting held in 2023 to approve the financial statements for the previous year.

Sixth resolution – Reappointment of Ms. Nazan SOMER ÖZELGIN as director

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, hereby resolves to reappoint Ms. Nazan SOMER ÖZELGIN as a director for a term of three years, expiring at the end of the Shareholders' Meeting held in 2023 to approve the financial statements for the previous year.

Seventh resolution – Approval of the disclosures required under section I of Article L.225-37-3 of the French Commercial Code

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, pursuant to Article L. 225-100 II of the French Commercial Code, hereby approves the disclosures required under section I of Article L.225-37-3 of the French Commercial Code referred to in the report on corporate governance included in the 2019 Universal Registration Document, in paragraph 3.3.1.

Eighth resolution – Approval of fixed, variable and non-recurring components of the total compensation and benefits of any kind paid or allocated for the previous year to Mr. Bernard BOURIGEAUD, Chairman of the Board of Directors

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, pursuant to Article L.225-100, paragraph III of the French Commercial Code, hereby approves the fixed, variable and non-recurring components of the total compensation and benefits of any kind paid or allocated for the previous year by virtue of his corporate functions to Mr. Bernard BOURIGEAUD, Chairman of the Board of Directors, as set out in the report on corporate governance in accordance with Article L.225-37 of the French Commercial Code and contained in section 3.3.1.1.2 of the 2019 Universal Registration Document.

Ninth resolution – Approval of fixed, variable and non-recurring components of the total compensation and benefits of any kind paid or allocated for the previous year to Mr. Nicolas HUSS, Chief Executive Officer

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, pursuant to Article L.225-100, paragraph III of the French Commercial Code, hereby approves the fixed, variable and non-recurring components of the total compensation and benefits of any kind paid or allocated for the previous year by virtue of his corporate functions to Mr. Nicolas HUSS, Chief Executive Officer, as set out in the report on corporate governance in accordance with Article L.225-37 of the French Commercial Code and contained in section 3.3.1.1.1 of the 2019 Universal Registration Document.

Tenth resolution – Approval of the compensation policy for members of the Board of Directors

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, pursuant to Article L.225-37-2 of the French Commercial Code, hereby approves the compensation policy for members of the Board of Directors set out in the report on corporate governance and contained in section 3.3.1.2 of the 2019 Universal Registration Document.

Eleventh resolution – Approval of the compensation policy for the Chairman of the Board of Directors

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, pursuant to Article L.225-37-2 of the French Commercial Code, hereby approves the principles and criteria for calculating, splitting and allocating the fixed, variable and non-recurring components of compensation and benefits of any kind, awarded to the Chairman of the Board of Directors by virtue of his corporate functions, as detailed in the report mentioned in the final paragraph of Article L.225-37 of the French Commercial Code and contained in section 3.3.1.2 of the 2019 Universal Registration Document.

Twelfth resolution – Approval of the compensation policy for the Chief Executive Officer

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, pursuant to Article L.225-37-2 of the French Commercial Code, hereby approves the principles and criteria for calculating, splitting and allocating the fixed, variable and non-recurring components of compensation and benefits of any kind, awarded to the Chief Executive Officer by virtue of his corporate functions, as detailed in the report mentioned in the final paragraph of Article L.225-37 of the French Commercial Code and contained in section 3.3.1.2 of the 2019 Universal Registration Document.

Thirteenth resolution – Authorization of the Board of Directors to repurchase Company shares, pursuant to Article L.225-209 of the French Commercial Code

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Ordinary Shareholders' Meetings, and having reviewed the report of the Board of Directors, hereby authorizes the Board to trade in Company shares on the stock exchange or in any other way on one or more occasions for a period of 18 months, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code.

This authorization is intended to allow the Company to do the following:

- hold and use Company shares as a means of exchange or consideration in external growth transactions, in compliance with current laws and regulations;
- use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or in any other manner, and carry out any transactions required to hedge the Company's obligations in connection with these securities, in accordance with stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- implement any Company stock option plan granted in accordance with Articles L.225-177 *et seq.* of the French Commercial Code, any free award, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, of Company shares to employees, directors and executive officers, whether as part of their compensation, as a means to allow them to benefit from the Company's growth, or in the context of Company or Group employee shareholding or savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, and to carry out any transactions required to hedge the Company's obligations in connection with these programs, in accordance with stock market regulations and at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- maintain a liquid market for the Company's shares *via* a liquidity contract with an independent investment service provider that complies with the practice authorized by the regulations;

- cancel some or all of the Company's shares bought back with the intention of reducing the share capital, in accordance with an authorization granted or to be granted by the Extraordinary General Shareholders' Meeting; and
- in general, act for any legally authorized purpose.

The shareholders hereby resolve that the number of Company shares acquired under this authorization shall not exceed 10% of the total number of shares making up the share capital on the date of purchase, after deducting the number of shares resold during the program to maintain a liquid market for the Company's shares, while noting that the share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10% of its total share capital, either directly or indirectly. Consequently, on the basis of the share capital as of December 31, 2019 (divided into 63,713,047 shares) and taking into account the 1,315,400 treasury shares held at that date, the Company would be authorized to purchase up to 5,055,904 shares.

Shares may be acquired by any means including, where applicable, trading in derivatives and options on regulated or over-the-counter markets, provided that use of such means does not significantly increase the volatility of the Company's share price.

The Board of Directors may not, unless previously authorized by a General Shareholders' Meeting, make use of this delegation of authority at any time during a public offer launched on the Company's shares by a third party.

Shares may be purchased by any means, including the acquisition of blocks of shares, and at such times as the Board of Directors decides.

The purchase price per share is not to exceed €180. On the basis of the share capital as of December 31, 2019, including the treasury shares held by the Company at that date, the maximum consideration the Company could pay, if purchasing shares at the maximum price of €180, would be €910,062,720.

In the event of capital increases carried out through incorporation of retained earnings or free share awards, or in the event of stock splits or reverse splits, depreciation or reduction of the share capital, or any other transaction affecting the share capital, the aforementioned prices shall be adjusted by a multiplier equal to the ratio between the number of shares that made up the share capital prior to the transaction and the number of shares after the transaction.

In order to ensure the implementation of the present authorization, the Board of Directors is hereby granted the necessary powers to proceed, with the option to sub-delegate, in particular to decide whether a repurchase program is appropriate and to determine the procedures for carrying out such a program, to draft and issue a fact sheet about the program, to place all orders on the stock market, to sign all deeds of transfer or assignment, to enter into any agreements required, particularly for the keeping of records of share purchases and sales, to carry out any filings with the AMF and any other body, as well as any other formalities, including allocating or reallocating purchased shares for their various intended purposes, and generally to do whatever is required.

The present authorization is hereby granted for a period of eighteen months from the date of this Annual General Shareholders' Meeting and cancels and replaces the authorization granted to the same effect by the Annual Shareholders' Meeting of June 11, 2019.

Extraordinary resolutions

Fourteenth resolution – Allocation of net profit for the year and dividend

The Annual General Shareholders' Meeting, upon the recommendation of the Board of Directors, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, hereby resolves (i) by way of derogation from Article 22 of the Articles of Association, not to deduct from the net profit for the year ended December 31, 2019 an amount corresponding to an initial dividend and (ii) to allocate the net profit/(loss) for the year ended December 31, 2019 as follows:

2019 net results

- Net profit for the financial year €133,199,098.14
- Retained earnings €776,511,941.54

Allocation

- Legal reserve €60,000
- Dividends €0
- Retained earnings €909,651,039.68

The Annual General Shareholders' Meeting notes that, after deducting the amount allocated to the legal reserve, the distributable net profit will be allocated in full to the "Retained earnings" account.

Pursuant to Article 243 bis of the French General Tax Code, the shareholders note that the dividends and income paid in respect of the last three fiscal years were as follows:

	Dividends eligible for tax reduction		
Fiscal year	Dividends	Other amounts distributed	Dividends not eligible for tax allowance
2016	€92,239,861.50[(1)] or €1.50 per share	-	-
2017	€99,780,982.40[(1)] or €1.60 per share	-	-
2018	€69,458,979.70[(1)] or €1.10 per share	-	-

(1) Including the amount of dividend not paid for treasury stock and allocated to retained earnings and the amount of dividend paid in shares.

Fifteenth resolution – Authorization of the Board of Directors to cancel Company shares repurchased by the Company pursuant to Article L.225-209 of the French Commercial Code

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' report, hereby:

1) grants authorization to the Board of Directors to cancel Company shares repurchased under Article L.225-209 of the French Commercial Code, at the Board's sole discretion, at any time, in one or more transactions, up to a ceiling of 10% of the share capital as of the date of the decision to cancel, less any shares canceled during the preceding 24 months, and to reduce the share capital accordingly as provided for by the applicable laws and regulations;
2) resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;
3) grants this authorization for a period of 24 months from the date of this Meeting;
4) grants all necessary powers to the Board of Directors to take any action required in respect of this cancellation of shares and corresponding capital reduction, to amend the Articles of Association accordingly and to carry out all requisite formalities.

Sixteenth resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights retained

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code, specifically Articles L.225-129-2, L.228-92 and L.225-132 *et seq.* thereof, hereby:

1) delegates its authority to the Board of Directors to issue, in one or more transactions, in such proportions and at such times as it decides, on the French and/or international market, either in euros or in foreign currencies or in any other unit of account as may be established by reference to a basket of currencies:
   - ordinary shares,
   - and/or ordinary shares conferring entitlement to other ordinary shares or debt securities,
   - and/or securities conferring entitlement to ordinary shares to be issued.

   In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may confer entitlement to ordinary shares to be issued by any company that owns, directly or indirectly, more than half of its share capital or of which it owns, directly or indirectly, more than half of the share capital;
2) grants this delegation of authority for a period of 26 months from the date of this Meeting;
3) resolves to set the following limits on the authorized issue amounts, in the event that the Board of Directors should use this delegation of authority:

   The aggregate nominal value of any ordinary shares that may be issued under this delegation of authority may not exceed €30,000,000.

   The nominal value of any share capital increases (immediate or future) that may be carried out under the delegations and authorizations granted by the 17th, 18th, 19th and 20th resolutions will be included in this limit.

   The value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares will not be included in this limit.

   The nominal value of any debt securities of the Company that may be issued under this delegation of authority may not exceed €1,500,000,000;
4) in the event that the Board of Directors should use this delegation of authority to conduct the issues referred to in 1) above:
   a/ resolves that any and all issues of ordinary shares or securities conferring entitlement to share capital will be reserved preferably for shareholders who may subscribe for shares as of right,
   b/ resolves that if subscriptions as of right and, if applicable, any secondary priority subscriptions, do not take up the entirety of an issue referred to in 1), the Board of Directors may opt as follows:
      - to limit the amount of the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable,
      - to freely distribute all or some of the unsubscribed securities,
      - to offer all or some of the unsubscribed securities to the public;
5) resolves that issues of warrants on the shares of the Company may be carried out by means of a subscription offer, but also by means of a free award to holders of existing shares, it being understood that the Board of Directors will have the option of deciding that allocation rights forming fractional shares will not be negotiable and that the corresponding securities will be sold;

6) resolves that the Board of Directors will be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out and to determine the issue price, if applicable, to record the resulting capital increases, to amend the Articles of Association accordingly, to charge, at its sole discretion, the issue-related expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in such matters;
7) resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;
8) acknowledges that this delegation of authority cancels and replaces the unused portion of any delegation of authority previously granted for the same purpose.

Seventeenth resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights waived, by public offer except for the one adressed in Article L. 411-2 1° of the French Monetary and Financial Code, and/or in consideration for shares as part of a public exchange offer

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code, specifically Articles L.225-129-2, L.225-136, L.225-148 and L.228-92 thereof, hereby:

1) delegates its authority to the Board of Directors to issue, in one or more transactions, in such proportions and at such times as it decides, on the French and/or international market, by means of an offer to the public, excluding those offers referred to in Article L.411-2, paragraph 1 of the French Monetary and Financial Code, either in euros or in foreign currencies or in any other unit of account as may be established by reference to a basket of currencies:
   - ordinary shares,
   - and/or ordinary shares conferring entitlement to other ordinary shares or debt securities,
   - and/or securities conferring entitlement to ordinary shares to be issued.

   These securities may be issued as consideration for securities transferred to the Company in connection with a public exchange offer on securities that complies with the provisions of Article L.225-148 of the French Commercial Code.

   In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may confer entitlement to ordinary shares to be issued by any company that owns, directly or indirectly, more than half of its share capital or of which it owns, directly or indirectly, more than half of the share capital;
2) grants this delegation of authority for a period of 26 months from the date of this meeting;
3) resolves that the aggregate nominal value of any ordinary shares that may be issued under this delegation of authority may not exceed €6,371,304.

   This limit will not include the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares.

   This amount will be included in the limit for any capital increases that may be carried out under the 21th resolution.

   The nominal value of any debt securities of the Company that may be issued under this delegation of authority may not exceed €1,500,000,000.

   This amount will be included in the aggregate nominal limit for any debt securities issued under the 21th resolution;
4) resolves to waive the preferential subscription right of shareholders to the ordinary shares and the securities conferring entitlement to share capital and/or debt securities covered by this resolution, while allowing the Board of Directors the discretion to grant shareholders a right of priority, in accordance with the law;
5) resolves that the amount paid or to be paid to the Company for each of the ordinary shares issued under this delegation of authority, after taking into account the issue price of any share subscription warrants that may have been issued, must be at least equal to the to the minimum amount required by the applicable legal and regulatory provisions at the time the Board of Directors exercises the delegation of authority;
6) resolves that, in the event that securities are issued as consideration for securities transferred in connection with a public exchange offer, the Board of Directors will have, in accordance with Article L.225-148 of the French Commercial Code and within the limits set out above, the powers necessary to draw up the list of securities exchanged, determine the terms and conditions of the issue, the exchange rate and, if applicable, the cash balancing payment to be made, and determine the issue process;
7) resolves that if subscriptions do not take up the entirety of an issue referred to in 1/, the Board of Directors may opt as follows:
   - to limit the amount of the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable,
   - to freely distribute all or some of the unsubscribed securities;

8) resolves that the Board of Directors will be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out, if applicable, to record the resulting capital increases, to amend the Articles of Association accordingly, to charge, at its sole discretion, the issue-related expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in such matters;
9) resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;
10) acknowledges that this delegation of authority cancels and replaces the unused portion of any delegation of authority previously granted for the same purpose.

Eighteenth resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights waived, by means of an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with the provisions of the French Commercial Code, specifically Articles L.225-129-2, L.225-136 and L.228-92 thereof, hereby:

1) delegates its authority to the Board of Directors to issue, in one or more transactions, in such proportions and at such times as it decides, on the French and/or international market, by means of an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code, either in euros or in foreign currencies or in any other unit of account as may be established by reference to a basket of currencies:
   - ordinary shares,
   - and/or ordinary shares conferring entitlement to other ordinary shares or debt securities,
   - and/or securities conferring entitlement to ordinary shares to be issued.

   In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may confer entitlement to ordinary shares to be issued by any company that owns, directly or indirectly, more than half of its share capital or of which it owns, directly or indirectly, more than half of the share capital;
2) grants this delegation of authority for a period of 26 months from the date of this Meeting;
3) resolves that the aggregate nominal value of any ordinary shares that may be issued under this delegation of authority may not exceed €6,371,304.

   This limit will not include the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares.

   This amount will be included in the limit for any capital increases that may be carried out under the 21st resolution.

   The nominal value of any debt securities of the Company that may be issued under this delegation of authority may not exceed €1,500,000,000.

   This amount will be included in the aggregate nominal limit for any debt securities issued under the 21st resolution;
4) resolves to waive the preferential subscription right of shareholders to the ordinary shares and the securities conferring entitlement to share capital and/or debt securities covered by this resolution;
5) resolves that the amount paid or to be paid to the Company for each of the ordinary shares issued under this delegation of authority must be at least equal to the minimum amount required by the applicable legal and regulatory provisions at the time the Board of Directors exercises the delegation of authority;
6) resolves that if subscriptions do not take up the entirety of an issue referred to in 1), the Board of Directors may opt as follows:
   - to limit the amount of the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable,
   - to freely distribute all or some of the unsubscribed securities;
7) resolves that the Board of Directors will be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out, if applicable, to record the resulting capital increases, to amend the Articles of Association accordingly, to charge, at its sole discretion, the issue-related expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in such matters;
8) resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;
9) acknowledges that this delegation of authority cancels and replaces the unused portion of any delegation of authority previously granted for the same purpose.

Nineteenth resolution – Authorization to increase the value of issues in the event of excess demand

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report, hereby resolves that for each issue of ordinary shares or of securities conferring entitlement to share capital conducted pursuant to the 16th, 17th and 18th resolutions, the number of securities to be issued may be increased under the conditions set out in Articles L.225-135-1 and R.225-118 of the French Commercial Code and within the limits set by the Meeting, if the Board of Directors identifies excess demand.

The Annual General Shareholders' Meeting resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period.

Twentieth resolution – Delegated authority to be granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or securities conferring entitlement to share capital as consideration for contributions in kind consisting of capital securities or securities conferring entitlement to the share capital, subject to the limit of 10% of the share capital

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' and the Statutory Auditors' reports, and in accordance with Articles L.225-147 and L.228-92 of the French Commercial Code, hereby:

1) authorizes the Board of Directors, on the basis of a report from the capital contributions auditor, to issue ordinary shares or securities conferring entitlement to ordinary shares in consideration of contributions in kind transferred to the Company and consisting of capital securities or securities conferring entitlement to share capital, unless the provisions of Article L.225-148 of the French Commercial Code apply;
2) grants this delegation of authority for a period of 26 months from the date of this meeting;
3) resolves that the aggregate nominal value of any ordinary shares that may be issued under this delegation of authority may not exceed 10% of the share capital as of the day of this Meeting, not taking into account the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares. This limit is included in the limit for any capital increases set out under the 21st resolution;
4) delegates all necessary powers to the Board of Directors to approve the valuation of contributions, to determine the resulting capital increase, to record the completion thereof, to charge, if applicable, any capital increase-related expenses to the contribution premium account, to deduct from the contribution premium account the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, to amend the Articles of Association accordingly, and, generally, to do whatever is required in such matters;
5) resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;
6) acknowledges that this delegation of authority cancels and replaces the unused portion of any delegation of authority previously granted for the same purpose.

Twenty-first resolution – Overall limit of delegated authority in respect of immediate and/or future capital increases

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary General Shareholders' Meetings, having reviewed the Board of Directors' report and as a consequence of adopting the preceding resolutions, hereby:

- resolves to limit the maximum nominal value of any immediate or future capital increases that may be carried out under the delegations and authorizations granted by the 17th, 18th, 19th and 20th resolutions to 10% of the share capital as of the day of this Meeting, it being further specified that any capital increases that may be carried out under these resolutions will be included in the aggregate nominal value of any shares that may be issued under the 16th resolution. This nominal value does not include, if applicable, the nominal value of Company shares to be issued in respect of adjustments made as required by law or by contractual obligations to safeguard the holders of rights attached to securities conferring entitlement to Company shares.
- resolves to limit the maximum aggregate nominal value of any debt securities that may be issued under the 17th, 18th and 19th resolutions to €1,500,000,000.

Twenty-second resolution – Delegated authority to be granted to the Board of Directors to increase share capital by issuing ordinary shares and/or securities conferring entitlement to share capital, with preferential subscription rights waived, to employees who are members of a company savings plan, pursuant to Articles L.3332-18 *et seq.* of the French Labor Code

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with Articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and Articles L.3332-18 *et seq.* of the French Labor Code, hereby resolves to:

1) delegate its authority to the Board of Directors, at the Board's discretion, to increase the share capital, on one or more occasions, by issuing ordinary shares or securities conferring entitlement to Company shares to employees who are members of one or more Company or Group savings plans established by the Company and/or the French or foreign entities under its control, as defined in Article L.225-180 of the French Commercial Code and in Article L.3344-1 of the French Labor Code;
2) waive, for the benefit of such people, any preferential subscription rights on shares that may be issued under this delegation of authority;
3) grant this delegation of authority for a period of 26 months from the date of this meeting;
4) limit the maximum nominal value of any and all capital increases that may be carried out under this delegation of authority to 2% of the share capital as of the date of the decision by the Board of Directors to carry out the increase. This limit is independent of any other maximum limits set for capital increases. This amount will not include the nominal value of any capital increase required to safeguard, in accordance with the law and any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares;
5) determine that the subscription price of the shares to be issued pursuant to paragraph 1) of this delegation of authority may not be more than 30% lower than the average of the opening prices quoted for the Company's shares over the 20 trading days preceding the date of the decision taken by the Board of Directors to increase the share capital and issue shares accordingly, or more than 40% lower if the vesting period provided for in the savings plan in accordance

with Articles L.3332-25 and L.3332-26 of the French Labor Code is 10 years or more, nor may the subscription price exceed that average;

6) determine, in accordance with Article L.3332-21 of the French Labor Code, that the Board of Directors will be authorized to make free awards of new or existing shares, or other securities conferring entitlement to the Company's share capital, to the beneficiaries mentioned in the first paragraph above, either (i) to provide the matching contributions required by the Company or Group savings plan regulations and/or (ii) to offset any discount to the share price and may decide, in the event that new shares are issued for the purposes of offsetting and/or providing matching contributions, to incorporate into the share capital any retained earnings, net profits or share premiums required to pay up these new shares;
7) resolve that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;
8) acknowledge that this delegation of authority cancels and replaces the unused portion of any delegation of authority previously granted for the same purpose.

The Board of Directors shall be empowered to decide whether or not to make use of this delegation of authority, and to perform all necessary acts and proceed with the requisite formalities.

Twenty-third resolution – Delegated authority to be granted to the Board of Directors to issue ordinary shares, with preferential subscription rights waived, to employees, directors and executive officers of Group companies with registered offices outside France who are not members of a company savings plan

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary General Shareholders' Meetings, having reviewed the Board of Directors' report and the Statutory Auditors' special report, and in accordance with Articles L.225-129-2 and L.225-138 of the French Commercial Code, hereby:

1) delegates to the Board of Directors, with the option to sub-delegate as provided by law, its authority to issue, on one or more occasions, ordinary shares in the Company, with subscription for such shares to be reserved for employees, directors and executive officers of subsidiaries under the Company's control as defined in Article L.233-16 of the French Commercial Code, which have their head office outside France (hereinafter the "Subsidiaries"), which may be paid for either in cash or by offsetting receivables;
2) resolves that (i) the nominal value of any capital increase(s) carried out under this delegation of authority will not exceed 2% of the Company's share capital as of the date of the decision by the Board of Directors setting the start of the subscription period, it being specified that this limit does not include the nominal value of any capital increase that may be necessary in respect of adjustments to be made in accordance with the law and with any applicable contractual provisions, to protect the rights of the holders of securities or other rights conferring entitlement to shares; and (ii) the nominal value of any immediate or future increase(s) in the Company's share capital resulting from the issuance of shares under this delegation of authority, is independent of any other maximum limits set for capital increases;
3) acknowledges that the Board of Directors, with the option to sub-delegate as provided by law, may decide to issue shares reserved for employees, directors and executive officers of Subsidiaries concurrently with, or independently of, one or more share issues open to existing shareholders, to employees who are members of a Group savings plan, or to third parties;
4) resolves that the subscription price for the new shares will be determined by the Board of Directors on the date that it sets the start of the subscription period, using one of the following two methods, at the discretion of the Board of Directors:
   - the subscription price is equal to the average of the opening prices quoted for Ingenico Group shares on the Euronext Paris stock market over the twenty trading days preceding the date of the decision of the Board of Directors, less a maximum discount of 30%, or
   - the subscription price is equal to the opening price quoted for Ingenico Group shares on the Euronext Paris stock market on the date of the Board's decision, less a maximum discount of 30%, it being specified that the method to be used or the amount of discount to be deducted may vary according to the capital increases or the beneficiaries involved;
5) resolves to waive shareholders' preferential subscription rights to shares to be issued to employees, directors and executive officers of the Subsidiaries;
6) resolves that the Board of Directors will have the necessary powers, with the option to sub-delegate as provided by law, to implement this delegation of authority for the following purposes in particular:
   - to determine the date, terms and methods to be used in the issue of shares with or without premiums, and to determine the total number of shares to be issued,
   - to determine the list of beneficiaries among employees, directors and executive officers of the Subsidiaries,
   - to determine the number of shares that may be subscribed by each of them,
   - to set the subscription price of the shares, in compliance with the methods set out in paragraph 4 above,
   - to set the terms of payment for the shares within the statutory framework,
   - to set the date from which the shares to be issued shall be entitled to dividends,
   - to limit the amount of the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable,
   - if applicable, to charge any costs, particularly issuance costs, against the issue premium or premiums,
   - if applicable, to request the admission of the new shares to trading on the Euronext Paris stock market or on any other stock market,
   - to enter into any agreements required to ensure the successful completion of the planned issues and amend the Articles of Association accordingly,
   - to do whatever is necessary to safeguard the rights of holders of securities conferring future entitlement to Company share capital in compliance with applicable laws and regulations, and
   - generally, to determine the terms and conditions for the transactions carried out pursuant to this

resolution, record the resulting capital increase and perform all legal formalities required in compliance with Articles L.225-129-2 and L.225-138 of the French Commercial Code;

7) resolves that, unless previously authorized by the Annual General Shareholders' Meeting, the Board of Directors may not make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period;

8) resolves that this delegated authority is granted for a period of 18 months from the date of this meeting and cancels and replaces the unused portion of any delegation of authority previously granted for the same purpose.

Twenty-fourth resolution – Amendment of Article 12 of the Articles of Association regarding provisions relating to directors representing employees

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary General Shareholders' Meetings, upon the recommendation of the Board of Directors, hereby resolves:

- to amend Article 12 of the Articles of Association concerning the threshold triggering the obligation to appoint a second director representing employees to the Board of Directors, which was reduced from twelve members of the Board of Directors to eight members, by French law No. 2019-486 of May 22, 2019 and in order to take account of the new name of the Works Council, now the Social and Economic Committee;
- consequently, to amend as follows the eighth and tenth and thirteenth paragraphs of the "Appointment of Directors" section of Article 12 of the Articles of Association, the rest of the article remaining unchanged:

  "In the event that the number of directors appointed by the Annual General Shareholders' Meeting exceeds eight, a second director representing employees is appointed in accordance with the provisions below, within a period of six months of the new director being co-opted by the Board or appointed by the Annual General Shareholders' Meeting."

  (…)

  "The term of office of the director representing employees is three years. If the number of directors appointed by the Annual General Shareholders' Meeting falls to eight or fewer, this has no effect on the term of office of any employee representatives on the Board, which terminates on expiry of its normal term."

  (…)

  "Directors representing employees are appointed by the Company's Social and Economic Committee."

Twenty-fifth resolution – Amendment of Article 12 of the Articles of Association to allow for written consultation of directors

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary General Shareholders' Meetings, after reviewing the Board of Directors' report, hereby resolves, in accordance with the option set out in Article L.225-37 of the French Commercial Code, as amended by French Law No. 2019-744 of July 19, 2019, to enable members of the Board of Directors to take decisions falling within its own competence as specified by the regulations, by means of written consultation, and accordingly amends Article 12 of the Articles of Association as follows:

The following paragraph is inserted after paragraph 8 of the "Board proceedings" section, the rest of the article remaining unchanged:

"By way of exception, the Board of Directors may also take decisions by written consultation of the directors under the conditions stipulated by law."

Twenty-sixth resolution – Harmonization of Articles 11, 14, 15 and 19 of the Articles of Association

The Annual General Shareholders' Meeting, deliberating with the quorum and majority required for Extraordinary General Shareholders' Meetings, after reviewing the Board of Directors' report, resolves:

- to harmonize the Articles of Association with the provisions resulting from French Ordinance No. 2019-1234 of November 27, 2019, French Law No. 2019-744 of July 19, 2019 and French Law No. 2019-486 of May 22, 2019.
- to amend paragraph 3 of Article 11 of the Articles of Association as follows, the rest of the article remaining unchanged:

  "The Company may, at any time and under the conditions set out in the regulations, request information regarding the owners of shares or securities conferring immediate or future rights to vote at shareholders' meetings.";
- to amend paragraph 2 of Article 14 of the Articles of Association as follows, the rest of the article remaining unchanged:

  "Directors – The Annual General Shareholders' Meeting may allocate an annual fixed amount to the directors, in compensation for their duties. This amount will be charged to the Company's operating expenses and the distribution will be decided by the Board of Directors under the conditions set out in the regulations.";
- to amend paragraph 4 of Article 15 of the Articles of Association as follows, the rest of the article remaining unchanged:

  "Any person who is directly or indirectly involved in the agreement is required to inform the Board as soon as they become aware of an agreement to which Article L.225-38 applies. They may not take part in either the deliberations or the vote in respect of the approval requested. The Chairman of the Board of Directors shall notify the Statutory Auditor of all the agreements authorized and concluded, referred to above, and shall submit them for the approval of the next Ordinary General Shareholders' Meeting. The Statutory Auditors will provide a special report regarding these agreements to the Meeting, which will vote on this report. Any person who is directly or indirectly involved in the agreement may not take part in the vote. Their shareholding is not taken into account for the purpose of calculating the majority.";
- to amend Article 19 of the Articles of Association as follows, the rest of the article remaining unchanged:
  - Amendment of paragraph 4, paragraph 7 and the first sentence of paragraph 8 of the section entitled "Provisions specific to Ordinary General Shareholders' Meetings":

    "In particular, they have the following powers: appointing or removing directors or Statutory Auditors, approving or rejecting appointments of interim directors co-opted by the Board of Directors, granting or refusing full discharge to the directors in office, voting on the Statutory Auditor's special report regarding any agreements between the Company and its officers or shareholders, setting the annual fixed amount allocated to directors in compensation for their duties." (…).

"For the Annual General Shareholders' Meeting to be able to pass resolutions on first convening, a number of shareholders representing at least one fifth of the shares with voting rights must be present. If this condition is not met, the Annual General Shareholders' Meeting held on second convening can pass resolutions, regardless of the number of shares represented, but only on the items from the agenda for the initial meeting.

Resolutions of the Ordinary General Shareholders' Meeting are adopted by a majority of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, abstained or returned a blank or invalid vote."

- Amendment of the first sentence of paragraph 3 and paragraph 5 of the "Provisions specific to Extraordinary General Shareholders' Meetings" section:

  "Resolutions are adopted by a majority of two thirds of the votes cast by the shareholders present or represented. The votes cast do not include those attached to shares in respect of which the shareholder has not taken part in the vote, abstained or returned a blank or invalid vote." (…)

  "An Extraordinary General Shareholders' Meeting is properly constituted and can pass resolutions when the number of shareholders present or represented represents at least one quarter of the shares with voting rights. Failing this, a new meeting shall be convened as required by law, specifying the agenda, date and outcome of the previous meeting. The reconvened meeting can pass resolutions if shareholders representing at least one fifth of the shares with voting rights are present or represented. If the required quorum is not achieved, the reconvened meeting may be adjourned until a later date within two months of the day that the initial meeting was convened, under the same conditions for convening and holding the meeting."

- Replacement of the term Works Council by Social and Economic Committee in paragraph 5 of the "Common rules" section:

  "The initiator of the meeting notice shall prepare the agenda and the resolutions to be submitted to the Annual General Shareholders' Meeting. The Board of Directors shall add to the agenda any new items or draft resolutions requested by either one or more shareholders jointly representing at least the percentage of the Company's shares required by law, or by a group of shareholders fulfilling the requirements set out in Article L.225-120 of the French Commercial Code, or, exclusively for draft resolutions, by the Social and Economic Committee. The initiators of requests shall supply any documents required by applicable laws and regulations in support of their request."

Twenty-seventh resolution – Powers for formalities

The shareholders hereby grant all powers necessary to accomplish the filing and publication formalities required by law to anyone in possession of an original, copy or extract of this report.

7.2 PRESENTATION OF DRAFT RESOLUTIONS TO THE ANNUAL GENERAL SHAREHOLDERS' MEETING

Ordinary resolutions

Approval of the parent company and consolidated financial statements for the year ended December 31, 2019 and approval of non-tax-deductible expenses (1st and 2nd resolutions)

The Board of Directors requests that you approve the parent company financial statements for the year ended December 31, 2019, which show a net profit of €133,199,098.14, as well as the consolidated financial statements for the year ended December 31, 2019, which show a net profit (Group share) of €207,998 thousands.

We also request that you approve the total expenses and charges as defined in point 4 of Article 39 of the French General Tax Code, *i.e.*, €76,671, as well as the related tax liability, *i.e.*, €26,398.

Statutory auditors' report on related-party agreements (3rd resolution)

We request that you (i) acknowledge the agreements already approved by the Annual General Shareholders Meeting and which remained in effect during the year, (ii) note the absence of any new agreements during the financial year ended December 31, 2019.

The agreement that was previously approved by the Annual General Shareholders' Meeting of June 11, 2019 and which remained in effect during the year ended December 31, 2019 concerns the severance package payable in the event of forced departure of the Chief Executive Officer, a loyalty mechanism included in the compensation structure for this director and executive officer.

Directors' terms of office (4th to 6th resolutions)

On the recommendation of the Appointments and Governance Committee, the Board of Directors proposes to renew Mr. Bernard BOURIGEAUD, Ms. Caroline PAROT and Ms. Nazan SOMER ÖZELGIN as directors.

Should the shareholders vote in favor of the proposals below, the Board of Directors would be composed of 12 directors, including five women, *i.e.*, 45% female (the employee director is not included in the calculation of this ratio) with 55% of its members being independent, in compliance with the applicable legal requirements and the recommendations of the AFEP-MEDEF Code.

Information and biographies for these proposed appointments are detailed in section 3.2 of this Universal Registration Document.

Renewal of the term of office of Mr. Bernard BOURIGEAUD (4th resolution)

In the 4th resolution, the Board of Directors proposes that you renew the term of office as director of Mr. Bernard BOURIGEAUD for a period of three years, expiring at the end of the Annual General Shareholders' Meeting to be held in 2023 to approve the financial statements for the preceding year.

Information about Mr. Bernard BOURIGEAUD is given in section 3.2 of this Universal Registration Document.

Renewal of the term of office of Ms. Caroline PAROT (5th resolution)

In the 5th resolution, the Board of Directors proposes that you renew the term of office as director of Ms. Caroline PAROT for a period of three years, expiring at the end of the Annual General Shareholders' Meeting to be held in 2023 to approve the financial statements for the preceding year.

Information about Ms. Caroline PAROT is given in section 3.2 of this Universal Registration Document.

Renewal of the term of office of Ms. Nazan SOMER ÖZELGIN (6th resolution)

In the 6th resolution, the Board of Directors proposes that you renew the term of office as director of Ms. Nazan SOMER ÖZELGIN for a period of three years, expiring at the end of the Annual General Shareholders' Meeting to be held in 2023 to approve the financial statements for the preceding year.

Information about Ms. Nazan SOMER ÖZELGIN is given in section 3.2 of this Universal Registration Document.

Approval of the disclosures required under section I of Article L.225-37-3 of the French Commercial Code (7th resolution)

Pursuant to Article L.225-100, paragraph II of the French Commercial Code, we ask you to approve the information referred to Article L.225-37-3, paragraph I of the French Commercial Code contained in section 3.1 *et seq.* of the 2019 Universal Registration Document.

Approval of fixed, variable and non-recurring components of the total compensation and benefits of any kind paid or allocated for the previous year to Bernard BOURIGEAUD, Chairman of the Board of Directors (8th resolution)

Pursuant to Article L.225-100, paragraph III of the French Commercial Code, we ask you to approve the fixed, variable and non-recurring components comprising the total compensation and benefits of any kind paid or allocated for the previous year to Mr. Bernard BOURIGEAUD, Chairman of the Board of Directors by virtue of his corporate office, which are described in section 3.3.1.1.2 *et seq.* of the 2019 Universal Registration Document.

Approval of fixed, variable and non-recurring components of the total compensation and benefits of any kind paid or allocated for the previous year to Mr. Nicolas HUSS, Chief Executive Officer (9th resolution)

Pursuant to Article L.225-100, paragraph III of the French Commercial Code, we ask you to approve the fixed, variable and non-recurring components comprising the total compensation and benefits of any kind paid or allocated for the previous year to Mr. Nicolas HUSS, Chief Executive Officer by virtue of his corporate office, which are described in section 3.3.1.1.1 *et seq.* of the 2019 Universal Registration Document.

Approval of the compensation policy for members of the Board of Directors (10th resolution)

In accordance with Article L.225-37-2 of the French Commercial Code, the Board of Directors asks you to approve the principles and criteria for the calculation, splitting and allocation of the fixed, variable and non-recurring components of total compensation and benefits of any kind attributable to the members of the Board of Directors (except for the Chairman) by virtue of their corporate functions and constituting their compensation plan.

These principles and criteria adopted by the Board of Directors on the recommendation of the Compensation, Appointments and Governance Committee are set out in the corporate governance report and appear in Chapter 3.3.1.2 of the 2019 Universal Registration Document.

We ask you to approve the principles and criteria presented in this report.

Approval of the compensation policy for the Chairman of the Board of Directors (11th resolution)

In accordance with Article L.225-37-2 of the French Commercial Code, the Board of Directors asks you to approve the principles and criteria for the calculation, splitting and allocation of the fixed, variable and non-recurring components of total compensation and benefits of any kind attributable to the Chairman of the Board of Directors of the Company by virtue of his corporate functions and constituting his compensation plan.

These principles and criteria adopted by the Board of Directors on the recommendation of the Compensation, Appointments and Governance Committee are set out in the corporate governance report and appear in Chapter 3.3.1.2 of the 2019 Universal Registration Document.

We ask you to approve the principles and criteria presented in this report.

Approval of the compensation policy for the Chief Executive Officer (12th resolution)

In accordance with Article L.225-37-2 of the French Commercial Code, the Board of Directors asks you to approve the principles and criteria for the calculation, splitting and allocation of the fixed, variable and non-recurring components of total compensation and benefits of any kind attributable to the Chief Executive Officer of the Company by virtue of his corporate office and constituting his compensation plan.

These principles and criteria adopted by the Board of Directors on the recommendation of the Compensation, Appointments and Governance Committee are set out in the corporate governance report and appear in Chapter 3.3.1.2 of the 2019 Universal Registration Document.

We ask you to approve the principles and criteria presented in this report.

Authorization to set up a share repurchase program (Article L.225-209 of the French Commercial Code) – Suspension of this authorization during a public offer period (13th resolution)

The authorization granted by the Annual General Shareholders' Meeting of June 11, 2019 will soon expire; we therefore ask you to authorize your Board of Directors to trade in the Company's shares up to a maximum purchase price of €180 per share and a maximum aggregate amount of €910,062,720 on the basis of the shares held by the Company as of December 31, 2019.

This authorization would be intended to allow the Company to do the following:

- hold and use Company shares as a means of exchange or consideration in external growth transactions, in compliance with current laws and regulations;
- use Company shares in connection with the exercise of rights attached to Company securities conferring immediate or future entitlement to Company shares through conversion, exercise, redemption or exchange, presentation of a warrant or in any other manner, and carry out any transactions required to hedge the Company's obligations in connection with these securities, in accordance with stock market regulations at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- implement any Company stock option plan granted in accordance with Articles L.225-177 *et seq.* of the French Commercial Code, any free award, in accordance with Articles L.225-197-1 *et seq.* of the French Commercial Code, of Company shares to employees, directors and executive officers, whether as part of their compensation, as a means to allow them to benefit from the Company's growth, or in the context of Company or Group employee shareholding or savings plans and/or any other form of share allocation programs for employees and/or directors and executive officers of the Group, and to carry out any transactions required to hedge the Company's obligations in connection with these programs, in accordance with stock market regulations and at the time that the Board of Directors or any person to whom the Board has delegated its powers may act;
- maintain a liquid market for the Company's shares *via* a liquidity contract with an independent investment service provider that complies with the practice authorized by the regulations;

- cancel some or all of the Company's shares bought back with the intention of reducing the share capital, in accordance with an authorization granted or to be granted by the Extraordinary General Shareholders' Meeting;
- and in general, act for any legally authorized purpose.

The number of Company shares acquired under this authorization shall not exceed 10% of the total number of shares in the share capital on the date of purchase, after deducting the number of shares resold during the program to maintain the liquidity of the Company's shares, while noting that the share acquisitions made by the Company may under no circumstances permit the Company to hold more than 10% of its total share capital, either directly or indirectly. Consequently, on the basis of the share capital as of December 31, 2019 (divided into 63,713,047 shares) and taking into account the 1,315,400 treasury shares held as of that date, the Company would be authorized to purchase up to 5,055,904 shares. Shares may be acquired by any means that are in accordance with current stock market regulations, in particular by trading in derivatives and options on regulated or over-the-counter markets, provided that use of such means does not significantly increase the volatility of the Company's share price.

Such transactions may not be carried out, however, during a public offer launched on the Company's shares by a third party.

The present authorization would be granted for a period of 18 months from the date of this Annual General Shareholders' Meeting and would cancel and replace the authorization granted to the same effect by the Annual General Shareholders' Meeting of June 11, 2019.

Extraordinary resolutions

Allocation of net profit for the year and dividend (14th resolution)

The Annual General Shareholders' Meeting, upon the recommendation of the Board of Directors, deliberating with the quorum and majority required for Extraordinary Shareholders' Meetings, hereby resolves (i) by way of derogation from Article 22 of the Articles of Association, not to deduct from the net profit for the year ended December 31, 2019 an amount corresponding to an initial dividend and (ii) to allocate the net profit/(loss) for the year ended December 31, 2019 as follows:

2019 net results

- Net profit for the financial year €133,199,098.14
- Retained earnings €776,511,941.54

Allocation

- Legal reserve €60,000
- Dividends €0
- Retained earnings €909,651,039.68

The Annual General Shareholders' Meeting notes that, after deducting the amount allocated to the legal reserve, the distributable net profit will be allocated in full to the "Retained earnings" account.

Pursuant to Article 243 bis of the French General Tax Code, the shareholders note that the dividends and income paid in respect of the last three fiscal years were as follows:

Fiscal year	Dividends eligible for tax reduction: Dividends	Dividends eligible for tax reduction: Other amounts distributed	Dividends not eligible for tax allowance
2016	€92,239,861.50(1) or €1.50 per share	-	-
2017	€99,780,982.40(1) or €1.60 per share	-	-
2018	€69,458,979.70(1) or €1.10 per share	-	-

(1) Including the amount of dividend not paid for treasury stock and allocated to retained earnings and the amount of dividend paid in shares.

Financial delegations – Suspension in public offer period

The following resolutions, which are subject to your vote, primarily concern delegations of authority to be granted to the Board of Directors in matters of finance and employee share offers, some of which will soon expire.

The delegations of authority and authorizations submitted to you, and which receive a favorable vote, will take effect from the date of this Annual General Shareholders' Meeting, the delegations previously granted having the same purpose.

Furthermore, pursuant to the provisions of Article L.233-32 of the French Commercial Code emanating from the Florange law of March 29, 2014, the delegations and authorizations granted by the meeting before the offer period are no longer suspended in a public offer period initiated on the Company, unless the meeting expressly provides for this suspension.

This is why the delegations provided for by the 15th to 23th resolutions provide for a suspension during a public offer period initiated on the Company's shares by a third party.

Authorization of the Board of Directors to cancel shares repurchased by the Company (15th resolution)

As the previous authorization is due to expire, we ask you to renew the authorization granted to the Board of Directors to act as follows:

- to cancel at any time, in one or more transactions, Company shares repurchased in compliance with Article L.225-209 of the French Commercial Code, as set out in the ordinary resolution submitted to this Meeting or pursuant to any previous authorizations to repurchase, up to a limit of 10% of the share capital per 24-month period, it being understood that this limit applies to the value of the Company's share capital adjusted, if applicable, to take account of transactions affecting the value of the share capital conducted after this Annual General Shareholders' Meeting;
- to reduce the share capital by the same amount while charging the difference between the repurchase value of the canceled shares and their nominal value against share premiums and available reserves;
- to amend the Articles of Association accordingly and carry out the necessary formalities.

The Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of this delegation of authority at any time during a public offer period initiated on the Company's shares by a third party, until the end of the offer period.

This delegation of authority would be granted for a period of 24 months and would cancel and replace any previous delegation of authority with the same purpose.

Delegated authority to be granted to the Board of Directors to increase share capital with preferential subscription rights retained (16th resolution)

The purpose of the 16th resolution is to grant the Board of Directors a delegation of authority to increase the share capital with shareholders' preferential subscription rights retained.

Transactions carried out under this resolution would therefore be reserved for the Company's shareholders. They would involve the issue of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring immediate or future entitlement to ordinary shares to be issued by the Company.

In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued could confer entitlement to ordinary shares to be issued of any company that owns, directly or indirectly, more than half of the share capital of our Company or of any company of which more than half of the share capital is owned, directly or indirectly, by our Company.

Capital increases carried out under this delegation of authority could not exceed a maximum nominal value of €30,000,000, *i.e.*, 47% of the share capital as of December 31, 2019. The nominal value of any share capital increases (immediate or future) that may be carried out under the delegations and authorizations granted by the 17th, 18th, 19th and 20th resolutions will be included in this limit. This limit would not include the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares. The issue of debt securities would be limited to a maximum nominal value of €1,500,000,000.

The subscription price for any shares and/or securities that may be issued pursuant to this delegation of authority would be determined by the Board of Directors in accordance with the applicable legal and regulatory provisions.

If subscriptions as of right and, if applicable, any secondary priority subscriptions, do not take up the entirety of the issue, the Board of Directors may opt as follows:

- to limit the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable;
- to freely distribute all or some of the unsubscribed securities;
- to offer all or some of the unsubscribed securities to the public.

The Board of Directors could not, unless previously authorized by the Annual General Shareholders' Meeting, make use of this delegation of authority at any time during a public offer initiated on the Company's shares by a third party.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Delegated authority to be granted to the Board of Directors to increase share capital with preferential subscription rights waived, by means of a public offer except for the one adressed in Article L. 411-2 1° of the French Monetary and Financial Code (17th resolution)

The purpose of the 17th resolution is to grant the Board of Directors a delegation of authority to increase the share capital with shareholders' preferential subscription rights waived, by means of a public offer except for the one adressed in Article L. 411-2 1° of the French Monetary and Financial Code.

Transactions carried out under this resolution would therefore be open to the public. They would involve the issue of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring immediate or future entitlement to ordinary shares to be issued by the Company.

In accordance with Article L.228-93 of the French Commercial Code, the securities to be issued could confer entitlement to ordinary shares to be issued of any company that owns, directly or indirectly, more than half of the share capital of our Company or of any company of which more than half of the share capital is owned, directly or indirectly, by our Company.

Capital increases carried out under this delegation of authority could not exceed a maximum nominal value of €6,371,304, *i.e.*, 10% of the share capital as of December 31, 2019. This limit would not include the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares. The issue of debt securities would be limited to a maximum nominal value of €1,500,000,000. These limits would be included in the aggregate limits laid down by the 21st resolution.

The issue price of any shares issued pursuant to this delegation of authority would be at least equal to the minimum stipulated by the applicable regulatory provisions as of the issue date (*i.e.*, currently, the weighted average of the prices quoted for the Company's shares on the Euronext Paris stock market over the last three trading days preceding the beginning of the offer to the public, which may be reduced by a maximum discount of 10% in accordance with the provisions of Articles L.225-136, paragraph 1, and R.225-119 of the French Commercial Code).

In addition, the issue price of any securities conferring entitlement to the Company's share capital, that may be issued under this delegation of authority, would be such that the amount received immediately by the Company, plus, if applicable, the amount that it may subsequently receive, would be at least equal to the issue price mentioned above, for each share issued as a result of the issue of these securities.

In the event that securities are issued as consideration for securities transferred in connection with a public exchange offer, the Board of Directors would have, within the limits set out above, the powers necessary to draw up the list of securities exchanged, determine the terms and conditions of the issue, the exchange rate and, if applicable, the cash balancing payment to be made, and determine the issue process.

If subscriptions do not take up the entirety of the issue, the Board of Directors may opt as follows:

- to limit the amount of the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable;
- to freely distribute all or some of the unsubscribed securities.

The Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of the delegations of authority at any time during a public offer launched on the Company's shares by a third party.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Delegated authority to be granted to the Board of Directors to increase share capital with preferential subscription rights waived, by means of an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code (18th resolution)

In addition to the previous resolution and in order to enable shareholders to vote separately, in accordance with the recommendations of the AMF, the purpose of the 18th resolution is to grant the Board of Directors a delegation of authority to increase the share capital with shareholders' preferential subscription rights waived, by means of an offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code.

Transactions carried out under this resolution would therefore be made by means of private investments, in accordance with the provisions of Article L. 411-2 1° of the French Monetary and Financial Code, qualified investors or a restricted circle of investors acting on their own behalf. They would involve the issue of ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities and/or securities conferring immediate or future entitlement to ordinary shares to be issued.

Capital increases carried out under this delegation of authority could not exceed a maximum nominal value of €6,371,304, *i.e.*, 10% of the share capital. This limit would not include the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of debt securities conferring entitlement to Company shares.

The issue of debt securities would be limited to a maximum nominal value of €1,500,000,000. These limits would be included in the aggregate limits laid down by the 21th resolution.

If subscriptions do not take up the entirety of the issue, the Board of Directors may opt as follows:

- to limit the amount of the issue to the amount of subscriptions, in accordance with any regulatory limits in force, if applicable;
- to freely distribute all or some of the unsubscribed securities.

As for the preceding resolution, the issue price of any shares issued pursuant to this delegation of authority would be at least equal to the minimum stipulated by the applicable regulatory provisions as of the issue date (*i.e.*, currently, the weighted average of the prices quoted for the Company's shares on the Euronext Paris stock market over the last three trading days preceding the beginning of the offer to the public, which may be reduced by a maximum discount of 10% in accordance with the provisions of Articles L.225-136, paragraph 1, and R.225-119 of the French Commercial Code).

In addition, the issue price of any securities conferring entitlement to the Company's share capital, that may be issued under this delegation of authority, would be such that the amount received immediately by the Company, plus, if applicable, the amount that it may subsequently receive, would be at least equal to the issue price mentioned above, for each share issued as a result of the issue of these securities.

The Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of the delegations of authority at any time during a public offer launched on the Company's shares by a third party.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Authorization to increase the value of issues in the event of excess demand (19th resolution)

In the context of the aforementioned delegations of authority with or without preferential subscription rights (16th, 17th et 18th resolutions), we ask you to grant the Board of Directors the option to increase, within the limits set by the Meeting and under the conditions and limits set out in the legal and regulatory provisions, the number of securities in the initial issue (Articles L.225-135-1 and R.225-118 of the French Commercial Code currently provides that the number of securities issued could be increased by up to 15% of the initial issue).

Delegated authority to be granted to the Board of Directors to increase share capital as consideration for contributions in kind consisting of capital securities or securities conferring entitlement to the share capital (20th resolution)

In order to facilitate our external growth efforts, we ask you to grant the Board of Directors a delegation of authority to increase the share capital by issuing ordinary shares or securities conferring entitlement to share capital as consideration for contributions in kind transferred to the Company and consisting of capital securities or securities conferring entitlement to share capital.

The aggregate nominal value of any ordinary shares that may be issued under this delegation of authority could not exceed 10% of the share capital as of the day of the Meeting, not taking into account the nominal value of any capital increase required to safeguard, in accordance with the law and, if applicable, any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares.

This limit would be included in the aggregate limit for capital increases laid down by the 21st resolution.

The Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of the delegations of authority at any time during a public offer launched on the Company's shares by a third party.

This delegation of authority would be granted for a period of 26 months and would cancel and replace any previous delegation of authority with the same purpose.

Limit on the aggregate value of authorizations (21st resolution)

This resolution sets an aggregate limit on the nominal value of any immediate or future capital increases with shareholders' preferential subscription rights waived that may be carried out by the Board of Directors under the 17th, 18th, 19th and 20th resolutions.

The nominal value of the capital increases referred to in the aforementioned resolutions would be capped at €6,371,304, *i.e.*, 10% of the share capital as of the date of the Meeting, which will not include the nominal value of any additional shares to be issued to safeguard the rights of holders of securities conferring entitlement to Company shares, in accordance with the legal provisions.

It is further specified that any capital increases that may be carried out under these resolutions will be included in the aggregate nominal value of any shares that may be issued as set out in the 16th resolution.

The maximum aggregate value of any debt securities that may be issued under the 17th, 18th and 19th resolutions may not exceed €1,500,000,000.

Delegation of authority to increase share capital by issuing shares to members of a Company savings plan (22nd resolution)

Your approval is requested for an extraordinary resolution submitted to the Annual General Shareholders' Meeting, which is required to vote, in accordance with Article L.225-129-6 of the French Commercial Code, on a resolution providing for a capital increase in compliance with the conditions stipulated in Articles L.3332-18 *et seq.* of the French Labor Code if any of its decisions result in a capital increase paid in cash.

We therefore ask you to authorize the Board of Directors to increase the share capital, on one or more occasions, by issuing ordinary Company shares or securities conferring entitlement to Company shares to be issued to employees who are members of one or more Company or Group savings plans established by the Company and/or the French or foreign entities under its control, as defined in Article L.225-180 of the French Commercial Code and in Article L.3344-1 of the French Labor Code.

Pursuant to Article L.3332-21 of the French Labor Code, the Board of Directors shall be authorized to grant new or existing shares, or other securities conferring entitlement to new or existing Company shares, for free to the above-mentioned beneficiaries, either (i) to provide the matching contributions required by the Company or Group savings plan regulations and/or (ii) to offset any discount to the share price.

As required by law, the shareholders shall waive their preferential right to subscribe for those shares.

The aggregate nominal value of any and all capital increases that may be carried out under this delegation of authority would be limited to 2% of the share capital as of the date of the decision by the Board of Directors to carry out the increase, it being specified that this limit would be independent of any other limit set for capital increases. This amount would not include the value of any capital increase required to safeguard, in accordance with the law and any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares.

This delegation of authority would be granted for a period of 26 months.

Please note that pursuant to Article L.3332-19 of the French Labor Code, the subscription price of the shares to be issued may not be more than 30% lower than the average of the opening prices quoted for the Company's shares on the Euronext Paris stock market over the 20 trading days preceding the date of the Board's decision to increase the share capital and carry out the corresponding share issue, or more than 40% lower if the vesting period provided for in the savings plan in accordance with Articles L.3332-25 and L.3332-26 of the French Labor Code is at least 10 years, nor may the subscription price exceed that average.

The Board of Directors shall be granted the necessary powers, subject to the limits set forth above, to determine the terms and conditions for any and all issues carried out, to record the resulting capital increase(s), to amend the Articles of Association accordingly, to resolve, at its sole discretion, to charge the issue-related expenses against the related share premium accounts and to deduct from these share premium accounts the amount necessary to increase the legal reserve to one tenth of the share capital amount after each capital increase, and, generally, to do whatever is required in each case.

The Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of the delegations of authority at any time during a public offer launched on the Company's shares by a third party.

Delegation of authority to increase the share capital, with preferential subscription rights waived, for employees, directors and executive officers of subsidiaries with registered offices outside France (23rd resolution)

We request that you renew the delegation of authority granted last year and thereby delegate to the Board of Directors the authority to issue ordinary Company shares, in one or more transactions, reserved for employees, directors and executive officers of Company subsidiaries with registered offices outside France, who are not members of a Group employee savings plan.

The subscription price for the newly-issued shares shall be determined by the Board of Directors using one of the following two methods, at the Board's discretion:

- subscription price equal to the average of the opening prices quoted for Ingenico Group's shares on the Euronext Paris stock market over the 20 trading days preceding the date of the Board's decision, less a maximum discount of 20%; or
- subscription price equal to the opening price quoted for Ingenico's shares on the Euronext Paris stock market on the date of the Board's decision, less a maximum discount of 20%; the method to be applied or the amount of discount to be deducted may vary according to the capital increases or the beneficiaries involved.

This delegation of authority would afford some flexibility to deal with tax or regulatory constraints in certain countries if the Board of Directors decides to make use of this authorization. That is why you are being asked to decide to waive preferential subscription rights for the benefit of employees, directors and executive officers of Group subsidiaries with registered offices outside France.

The value of the share capital increase carried out under this authorization shall not exceed 2% of the share capital as calculated on the date the authorization is exercised, and this maximum limit is independent of any other maximum limits set for capital increases. This amount would not include the value of any capital increase required to safeguard, in accordance with the law and any contractual obligations providing for other adjustments, the rights of holders of securities conferring entitlement to Company shares.

This authorization shall be granted for a period of 18 months.

The Board of Directors may not, unless previously authorized by the Annual General Shareholders' Meeting, make use of the delegations of authority at any time during a public offer launched on the Company's shares by a third party.

Amendment of Article 12 of the Articles of Association regarding provisions relating to directors representing employees (24th resolution)

We propose to amend Article 12 of the Articles of Association concerning the threshold triggering the obligation to appoint a second director representing employees to the Board of Directors, which was reduced from twelve members of the Board of Directors to eight members, by French law No. 2019-486 of May 22, 2019 and in order to take account of the new name of the Works Council, now the Social and Economic Committee.

Amendment of the Articles of Association authorizing the Board of Directors to make certain decisions by means of written consultation (25th resolution)

We propose to incorporate into the Articles of Association the option set out in French Law No. 2019-744 of July 21, 2019, enabling members of the Board of Directors to take certain decisions falling within its own competence as specified by the regulations, by means of written consultation. These decisions are the following:

- provisional appointment of new members of the Board of Directors (or Supervisory Board) in case of vacancy further to the death or resignation or when the number of Board members is lower than the legal or statutory requirements or when the gender equality is not complied;
- authorization of security, surety and guarantee granted by the Company;
- update of the Articles of Association with the legal and regulatory requirements;
- convocation for the Annual General Shareholders' Meeting;
- transfer of the Company head quarter in the same department.

Harmonization of Articles 11, 14, 15 and 19 of the Articles of Association (26th resolution)

We propose to amend Articles 11, 14, 15 and 19 of the Articles of Association in order to bring them in line with the provisions of Article L.225-27-1 of the French Commercial Code, as amended by French Law No. 2019-486 of May 22, 2019.

Powers for formalities (27th resolution)

Lastly, the 27th resolution concerns the powers that have to be granted in order to complete the formalities ensuing from the Annual General Shareholders' Meeting, and in particular powers for filing and publication formalities.

7.3 STATUTORY AUDITORS' REPORTS ON THE CAPITAL TRANSACTIONS PROVIDED FOR UNDER RESOLUTIONS 15 TO 23 OF THE COMBINED ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING ON JUNE 11, 2020

Combined Ordinary and Extraordinary Shareholders' Meeting on June 11, 2020

To the shareholders of Ingenico Group SA,

In our capacity as your Company's statutory auditors, and pursuant to the duties set forth in the French Commercial Code, we hereby present to you our report on the capital transactions that will be submitted for your approval.

Report on share capital reduction (Resolution 15)

Pursuant to Article L.225-209 of the French Commercial Code, which deals with the reduction of share capital by canceling treasury shares, we have prepared this report to present our opinion on the justification and terms of the proposed share capital reduction.

The shareholders are requested to grant their Board of Directors all necessary powers, for a period of 24 months as of the date of this Meeting, to cancel the shares the Company has repurchased under its authorization to purchase its own shares pursuant to the aforementioned Article, up to a ceiling of 10% of its share capital, calculated on the day of the decision to cancel the shares over 24-month periods.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie nationale des commissaires aux comptes, France's national organization of statutory auditors. Our work consisted in verifying that the justification and terms of the proposed share capital reduction, which ensures the equal treatment of shareholders, complies with the applicable laws, regulations and rules.

We have no observations regarding the justification and terms of the proposed share capital reduction.

Statutory auditors' report on the issue of ordinary shares and/or securities with preferential subscription rights maintained and/or waived (Resolutions 16 to 21)

Pursuant to Articles L.228-92 and L.225-135 et seq. of the French Commercial Code, we present our report on the proposed delegations of authority for the Board of Directors to carry out various transactions to issue ordinary shares and/or securities that will be submitted for your approval.

On the basis of its report, your Board of Directors proposes that you:

- authorize it, for a period of 26 months, to decide on the following transactions and set the definitive terms for such issues, and proposes, if applicable, that you waive your preferential subscription rights:
  - issue, with preferential subscription rights maintained (16th resolution), ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities (of the Company or of a Group company) and/or securities providing access to ordinary shares (of the Company or of a Group company), while noting that, in accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may provide access to shares to be issued by any company that directly or indirectly holds more than half of the Company's share capital or in which the Company directly or indirectly holds more than half of the share capital;
  - issue, with preferential subscription rights waived by way of public offer – excluding offers referred to in Article L.411-2 1°, of the French Monetary and Financial Code (17th resolution), ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities (of the Company or of a Group company) and/or of securities providing access to ordinary shares (of the Company or of a Group company) to be issued, while noting that:
    - these securities may be issued as consideration for securities transferred to the Company in connection with a public exchange offer on securities that complies with the provisions of Article L.225-148 of the French Commercial Code;
    - in accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may provide access to shares to be issued by any company that directly or indirectly holds more than half of the Company's share capital or in which the Company directly or indirectly holds more than half of the share capital;
  - issue, with preferential subscription rights waived by way of offers referred to in Article L.411-2 1°, of the French Monetary and Financial Code and up to 20% of the share capital per annum (18th resolution), ordinary shares and/or ordinary shares conferring entitlement to other ordinary shares or debt securities (of the Company or of a Group company) and/or securities providing access to ordinary shares (of the Company or of a Group company) to be issued, while noting that, in accordance with Article L.228-93 of the French Commercial Code, the securities to be issued may provide access to capital securities to be issued by any company that directly or indirectly holds more than half of the Company's capital or in which the Company directly or indirectly holds more than half of the share capital;
- authorize it, for a period of 26 months, to issue ordinary shares and/or securities providing access to share capital as consideration for contributions in kind granted to the Company and comprising capital securities or securities providing access to share capital (20th resolution), subject to the limit of 10% of the share capital.

The maximum nominal amount of shares likely to be issued under the 16th resolution may not exceed €30,000,000. Furthermore, the total nominal amount of capital increases likely to be conducted immediately or over time may not, according to the 21st resolution, exceed 10% of the share capital on the date of this Meeting under the 17th, 18th, 19th and 20th resolutions, while noting that the maximum nominal amount of capital increases likely to be conducted in respect of each of the 17th and 18th resolutions amounts to €6,371,304.

The nominal amount of debt securities likely to be issued under the 16th resolution may not exceed €1,500,000,000. Furthermore, the total nominal amount of debt securities likely to be issued may not, according to the 21st resolution, exceed €1,500,000,000 for the 17th, 18th and 19th resolutions.

These ceilings take into account the additional number of securities to be created in the scope of implementing the authorizations referred to in the 16th, 17th and 18th resolutions, under the conditions set out in Article L.225-135-1 of the French Commercial Code, if you adopt the 19th resolution.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R.225-113 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the fair presentation of accounting figures taken from the financial statements, on the proposal to waive preferential subscription rights and on a variety of other information concerning the transactions provided in this report.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie nationale des commissaires aux comptes, France's national organization of statutory auditors. Our work involved verifying the information in the Report of the Board of Directors concerning these transactions and the methods used to determine the issue price for the capital securities to be issued.

Without prejudice to an examination of the terms of the proposed issues, we have no observations concerning the methods used to determine the issue price for the capital securities to be issued, as indicated in the Report of the Board of Directors in relation to the 16th, 17th and 18th resolutions.

Furthermore, since this report does not specify the methods used to determine the issue price for capital securities to be issued under the 16th and 20th resolutions, we are unable to give an opinion on the choice of methods for calculating this issue price.

Since the final terms of the issues that will be carried out have not been set, we cannot give an opinion on them, nor, therefore, can we give an opinion on the proposal in the 17th and 18th resolutions that shareholders waive their preferential subscription rights.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors makes use of these authorizations for the issue of securities that are capital securities providing access to other capital securities or conferring entitlement to debt securities, the issue of securities providing access to capital securities to be issued and the issue of shares with preferential subscription rights waived.

Report on issues of ordinary shares and/or securities conferring entitlement to the share capital reserved for employees belonging to a Company or Group savings plan, with preferential subscription rights waived (resolution 22)

Pursuant to Articles L.228-92 and L.225-135 et seq. of the French Commercial Code, we present our report on the proposal to authorize your Board of Directors to decide to issue, with preferential subscription rights waived, ordinary shares and/or securities providing access to share capital, reserved for employees belonging to a Company or Group savings plan set up by the Company and/or associated French or international companies in accordance with Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labor Code, which will be submitted for your approval.

The maximum nominal amount of the capital increases that may result from this authorization is 2% of the Company's share capital on the day of the Board of Directors' decision.

This issue is subject to your approval pursuant to Article L.225-129-6 of the French Commercial Code and Article L.3332-18 et seq. of the French Labor Code.

On the basis of its report, your Board of Directors proposes that you authorize it to carry out issues for a period of 26 months from the date of this Meeting and that you waive your preferential subscription rights to the shares and securities to be issued. If this authorization is granted, the Board of Directors will determine the definitive terms of issue for this transaction.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 et seq. of the French Commercial Code. It is our responsibility to give our opinion on the fair presentation of the accounting figures taken from the financial statements, on the proposal to waive preferential subscription rights, and on a variety of other information concerning the issue provided in this report.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie nationale des commissaires aux comptes, France's national organization of statutory auditors.

Our work involved verifying the information in the Report of the Board of Directors concerning this transaction and the methods used to determine the issue price for the capital securities to be issued.

Without prejudice to an examination of the terms of the proposed issues, we have no observations concerning the methods used to determine the issue price for the capital securities to be issued, as indicated in the Report of the Board of Directors.

Since the final terms of the issue that may be carried out have not been set, we cannot give an opinion on them, nor, therefore, can we give an opinion on the proposal that the shareholders waive their preferential subscription rights.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors makes use of this authorization.

Report on the capital increase with preferential subscription rights waived reserved for a specific category of beneficiaries (resolution 23)

Pursuant to Articles L.225-135 et seq. of the French Commercial Code, we present our report on the proposal to authorize your Board of Directors to increase the Company's share capital by issuing ordinary Company shares to the employees, directors and executive officers of Company subsidiaries, as defined by Article L.233-16 of the French Commercial Code, that have their registered offices outside France, with preferential subscription rights waived, up to a maximum of 2 percent of the Company's share capital on the day of the Board of Directors' decision.

On the basis of its report, your Board of Directors proposes that you authorize it, with the option to sub-delegate, for a period of 18 months from the date of this Meeting, to increase the share capital, and that you waive your preferential subscription rights on the ordinary shares to be issued. If this authorization is granted, the Board of Directors will determine the definitive terms of issue for this transaction.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to give our opinion on the fair presentation of accounting figures taken from the financial statements, on the proposal to waive preferential subscription rights and on a variety of other information concerning the issue provided in this report.

We performed the procedures we deemed necessary for the completion of this engagement, in accordance with the professional guidance provided by the Compagnie nationale des commissaires aux comptes, France's national organization of statutory auditors.

Our work involved verifying the information in the Report of the Board of Directors concerning this transaction and the method used to determine the issue price for the ordinary shares.

Without prejudice to an examination of the terms of the proposed capital increase, we have no observations concerning the methods used to determine the issue price for ordinary shares to be issued, as indicated in the Report of the Board of Directors.

Since the final terms of the capital increase have not been set, we cannot give an opinion on them, nor, therefore, on the proposal that the shareholders waive their preferential subscription rights.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare an additional report, if necessary, when your Board of Directors makes use of this authorization.

The statutory auditors

Paris – La Défense, March 30, 2020

KPMG Audit	Mazars
A division of KPMG S.A.	
Frédéric Quélin	Ariane Mignon
Partner	*Partner*

8

INFORMATION ON THE COMPANY AND ITS SHARE CAPITAL

8.1 INFORMATION ON THE COMPANY

8.1.1 Company name

Company name: Ingenico Group

8.1.2 Head office

Head office: 28–32 boulevard de Grenelle, 75015 Paris, France

Telephone: +33 (0)1 58 01 80 00

8.1.3 Legal form

Type of entity and governing legislation: the Company is a French corporation (société anonyme) managed by a Board of Directors and governed by the laws and regulations applicable to commercial companies as set forth in Book II of the French Commercial Code.

Date of incorporation: June 10, 1980 for a period of 99 years starting from the date of registration with the Trade and Companies Register, except in the event of early dissolution or extension, as provided for in the Articles of Association.

Financial year: January 1 to December 31.

Company registration number with the Paris Trade and Companies Register: 317 218 758.

Principal business activity code (APE): 6202A.

Principal place of business code (SIRET): 317 218 758 00124.

Legal entity identifier (LEI): 969500C1KK5OLNWK1S69.

It is specified that the information which appears on the website of the Company does not form part of this Registration Document unless the information is incorporated by reference into this document.

8.1.4 Articles of Association

The Articles of Association contain no conditions that are more restrictive than those set by law with respect to altering the rights of shareholders or the share capital.

Purpose (Article 2 of the Articles of Association)

The Company's purpose is to carry out any business in France and in any other countries as follows:

- researching, designing, developing and producing any equipment, systems or devices based on new technologies;
- designing and/or selling any equipment and software relating to the electronic payment and transfer of funds, urban parking management systems, and public and private telephone systems;
- developing and/or selling, including on a rental basis, any systems for transmitting and receiving radio signals of any frequency and kind;
- operating, through any means and in any form, land, sea or space telecommunication networks from stationary or mobile stations, on its own behalf or on any third party's behalf;
- designing software for its own needs or for third parties' needs;
- providing consultancy and organizational services;
- providing technical support and maintenance for any and all devices and facilities produced or sold in connection with any of the Company's purposes;
- representing any companies, both French and non-French, whose products are related, directly or indirectly, to the above-mentioned purposes, including import or export operations.

To fulfil these purposes, the Company may set up, acquire, exchange, sell, or lease, with or without an agreement to sell, and manage and operate, directly or indirectly, any industrial or commercial businesses, plants, work sites, personal or real property; obtain or acquire and use, sell or contribute any patents, licenses, processes or trademarks; grant any licenses to manufacture or use; and generally carry out any commercial, industrial or financial transactions relating to personal and real property, that might be directly or indirectly related to, or serve, the Company's purposes. The Company may act directly or indirectly, on its own behalf or on behalf of any third party, either alone or in partnership, joint venture or association with any other corporate bodies or individuals and carry out in France or abroad, in any form whatsoever, any transactions falling within the scope of its purposes. It may acquire interests or stakes in any French or non-French organizations that have similar purposes or are likely to develop its own businesses.

Determination, allocation and distribution of net profits (Article 22 of the Articles of Association)

For the purpose of forming the statutory legal reserve fund, an amount of 5% shall be allocated from the net annual profit, less any retained losses, until the amount in the legal reserve reaches an amount equal to one-tenth of the share capital amount. Such allocation from the net profit shall be repeated whenever the legal reserve amount falls below that fraction for any reason whatsoever, in particular in the event of an increase in the Company's share capital.

The remaining balance of the net profit, plus any amount of retained earnings, shall constitute the distributable profits.

The following shall be deducted from those net profits:

- any amounts that the Shareholders' Meeting decides to use for depreciation of the Company's assets or to allocate to reserve funds or as retained earnings;
- the amount required to pay an initial dividend based on issued and paid-up shares of 5% of the share capital amount; should net profits be insufficient to pay out this dividend, the shareholders shall not be entitled to claim such dividend in subsequent years;
- the remaining balance, if any, to be distributed among all shareholders as a complementary dividend.

The Shareholders' Meeting may also decide to distribute amounts deducted from non-statutory reserve funds, either to provide or supplement a dividend or as an extraordinary distribution. The Shareholders' Meeting must then specify the reserve account from which such deductions are made.

Dividend payment (Article 23 of the Articles of Association)

Dividends on shares shall be paid within a maximum of nine months from the financial year end, unless such period has been extended by court order.

The time and place of dividend payments will be determined by the Board of Directors.

The Annual General Shareholders' Meeting deliberating on the annual financial statements may grant each shareholder an option to receive all or part of a dividend or interim dividend in cash or in shares, as provided for by law and by these Articles of Association.

Rules for convening and attendance at Annual General Shareholders' Meetings (Article 19 of the Articles of Association)

Pursuant to Article 19 of the Articles of Association, Ordinary, Extraordinary and Special General Shareholders' Meetings shall be convened by the Board of Directors. They may also be convened by the Statutory Auditor, by a representative appointed by a court of law at the request of any interested party, in the event of an emergency or at the request of one or more shareholders holding at least 5% of the Company's share capital or by a group of shareholders fulfilling the requirements set out in Article L.225-120 of the French Commercial Code. Meetings may also be convened by the liquidator in the event of the dissolution of the Company.

The Annual General Shareholders' Meetings shall be held at the location specified in the notice. This may be the Company's head office or, if necessary, any other location within 50 km of the registered office.

Notice of Annual General Shareholders' Meetings shall be given in accordance with the applicable rules and regulations.

Should an Annual General Shareholders' Meeting be unable to deliberate due to lack of the required quorum, a second meeting shall be convened with at least ten clear days' prior notice, in the same manner as for the first call, reiterating the date and agenda of the initial meeting.

The initiator of the meeting notice shall prepare the agenda and the resolutions to be submitted to the Annual General Shareholders' Meeting. The Board shall add to the agenda any new items or draft resolutions requested by either one or more shareholders jointly representing at least the percentage of the Company's shares required by law, or by a group of shareholders fulfilling the requirements set out in Article L.225-120 of the French Commercial Code, or, exclusively for draft resolutions, by the Works Council. The initiators of requests shall supply any documents required by applicable laws and regulations in support of their request.

The right to attend Shareholders' Meetings shall be based upon registration, no later than midnight (Paris time), two working days before the meeting, of the shareholder's name or the name of the depository registered on the shareholder's behalf, either in the registered accounts held by the Company or in the bearer shares trading accounts held by the approved depository.

Shareholders may be represented by any legal or natural person they choose, subject to the regulatory conditions applicable. Proxies shall be appointed using a signed proxy form indicating the proxy's surname, first name and address. A proxy may not sub-delegate their proxy to another person. Proxy forms are valid exclusively for a single Shareholders' Meeting, or for adjourned meetings convened with the same agenda.

If the Board so decides when convening a meeting or sending a meeting notice, shareholders may also attend and vote at meetings *via* video conference or using any telecommunication systems enabling them to be identified as provided for by law.

At each Annual General Shareholders' Meeting, the attendance sheet will indicate the following:

- the surnames, first names and place of residence of each shareholder; the number of shares they hold and corresponding voting rights;
- the surnames, first names and place of residence of each proxy; the number of shares they hold and corresponding voting rights;
- the surnames, first names and place of residence of each shareholder represented; the number of shares they hold and corresponding voting rights.

The attendance sheet shall be signed by all shareholders present and by proxies. It will be certified as accurate by the Meeting's Reporting Committee. The attendance sheet with the proxy forms attached thereto shall be kept at the head office and made available upon request.

Once properly constituted, an Annual General Shareholders' Meeting represents all shareholders. Its resolutions shall be binding on all shareholders, even those who are absent, dissenting or incapacitated. At ordinary or extraordinary meetings, the quorum is calculated based on the total number of shares in the share capital. For special meetings, it is based on all the shares from the category concerned, less those deprived of voting rights under statutory or regulatory provisions.

Minutes shall be made of the proceedings of Annual General Shareholders' Meetings and signed by the Reporting Committee members. The minutes shall be either transferred to, or inserted into, a special minute book issued according to regulatory provisions, with each page initialed and signed.

Quorum and majority requirements at Ordinary General Shareholders' Meetings

All shareholders may take part in the proceedings and vote on resolutions, provided that the shares they hold have been fully paid up.

For deliberations of the Annual General Shareholders' Meeting to be valid on first convening, a number of shareholders representing at least one-fifth of the share capital must be present. If this condition is not met, the Annual General Shareholders' Meeting held on second call can pass resolutions, regardless of the number of shares represented, but only on the items from the agenda for the initial meeting.

Resolutions of the Ordinary General Shareholders' Meeting are adopted by a majority of the votes of the shareholders present or represented, plus one vote. The members of the meeting have the same number of votes as the shares that they hold and represent, without limitation, except at Annual General Shareholders' Meetings convened for incorporation purposes, when each shareholder casts the votes of their principals on the same terms and within the same limits.

However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the number of voting rights conferred on other shares relating to the portion of share capital they represent.

Furthermore, in case of a capital increase by incorporating retained earnings, net profits or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights.

Quorum and majority requirements at Extraordinary General Shareholders' Meetings

Resolutions are adopted by a majority of two thirds of the votes of the shareholders present or represented. The members of the meeting have the same number of votes as the shares that they hold and represent, without limitation, except at Annual General Shareholders' Meetings called for incorporation purposes, when each shareholder casts the votes of their principals on the same terms and within the same limits. However, all fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the number of voting rights conferred on other shares relating to the portion of share capital they represent.

Furthermore, in case of a capital increase by incorporating retained earnings, net profits or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights.

An Extraordinary General Shareholders' Meeting is properly constituted and can validly deliberate when the number of shareholders present or represented represents at least one quarter of the share capital. Failing this, a new meeting shall be convened as required by law, specifying the agenda, date and outcome of the previous meeting. The reconvened meeting can validly deliberate if shareholders representing at least one fifth of the share capital are present or represented. If the required quorum is not achieved, the reconvened meeting may be adjourned until a later date within two months of the day that the initial meeting was convened, under the same conditions for convening and holding the meeting.

Notwithstanding the foregoing and by statutory dispensation, an Extraordinary General Shareholders' Meeting called to decide on a capital increase *via* incorporation of retained earnings, net profits or share premiums may proceed under the quorum and majority conditions for an Ordinary General Shareholders' Meeting.

Quorum and majority requirements at Special General Meetings

Special General Meetings shall be convened and shall deliberate as provided for by law.

Double voting rights

According to Article 19 of the Articles of Association:

"All fully paid-up shares that have been registered in a single shareholder's name for at least two years shall be granted twice the number of voting rights conferred on other shares relating to the portion of share capital they represent.

Furthermore, in case of a capital increase by incorporating retained earnings, net profits or share premiums, double voting rights shall be conferred upon the issue of registered shares allotted for free on the basis of existing shares holding such double voting rights."

This provision was included in the Articles of Association for the first time by the shareholders at their Extraordinary General Shareholders' Meeting on June 10, 1986, which resolved that double voting rights should be attached to all fully paid-up shares registered in a single shareholder's name for at least five years. Subsequently, at their meeting on June 8, 1988, the shareholders amended the Articles of Association, reducing the required term for registration in a single shareholder's name from five years to four years, which the shareholders finally reduced further to the current two-year term at their meeting on September 18, 1998.

Moreover, pursuant to Article L.225-124, paragraph 1, of the French Commercial Code, double voting rights are rendered null and void *ipso jure* when shares are converted into bearer form or if their ownership is transferred. However, transfers through inheritance, the liquidation of marital assets, *inter vivos* transfers to a spouse or direct relative and transfers resulting from the merger or demerger of a shareholding company do not result in the loss of double voting rights.

Subject to the double voting rights attached to all fully paid-up shares registered in a single shareholder's name for at least two years, no clause in the Articles of Association or in the issuer's internal rules of procedure shall have the effect of delaying, deferring or preventing a change of control over the Company.

Major shareholding thresholds (Article 8 of the Articles of Association)

In addition to instances when the regulatory thresholds are exceeded, which must be reported to both the Company and the Autorité des marchés financiers as set out in Article L.233-7 of the French Commercial Code, any individual or legal entity owning a number of shares amounting to over 2% of the share capital or the voting rights, or any multiple thereof, shall, within four trading days (before close of trading) of the date on which each shareholding threshold is crossed, notify the Company of the total number of shares and voting rights held in a letter sent by recorded delivery with return receipt requested. Failing notification, the shares exceeding the fraction that should have been reported shall be deprived of voting rights at Shareholders' Meetings, as provided for by law, if failure to notify has been noted at the time of a Shareholders' Meeting, and if one or more shareholders, together holding at least 5% of the share capital, request this at the said meeting. Similarly, any person whose direct or indirect interest falls below each of the above-mentioned thresholds shall give notice thereof to the Company in the form and within the period specified above.

Separation of ownership (Article 11 of the Articles of Association)

Unless an agreement otherwise is notified to the Company, the usufructuaries of shares may validly represent the bare owners at Extraordinary General Meetings, with the exception of voting rights belonging to the bare owner.

Identifiable bearer securities (Article 11 of the Articles of Association)

At any time, the Company may ask the central depositary of financial instruments to identify holders of securities conferring immediate or long-term voting rights at Annual General Shareholders' Meetings, and the amount of securities held by each of them under the conditions set out in Article L.228-2 of the French Commercial Code.

8.1.5 Information relating to factors liable to affect a public offer

The Company's capital structure, the clauses of any agreements covered by Article L.233-11 of the French Commercial Code and any direct or indirect holdings in the Company's capital known to the Company under the provisions applicable for shareholding thresholds are described in section 8.3 of the 2019 Universal Registration Document.

The Articles of Association do not provide for any restrictions concerning the exercise of voting rights (except for the penalty for failure to disclose when the legal shareholding thresholds are crossed) or the transfer of shares.

There are no shareholders entitled to any special rights of control.

The Company has no employee shareholding arrangements that provide for control mechanisms.

The powers of the Board of Directors and the rules that apply for the appointment and replacement of Board members are described above.

The shareholders are authorized at Extraordinary General Shareholders' Meetings to make any decisions and any changes to the provisions in the Articles of Association.

The agreements providing for compensation for directors and executive officers, particularly in the case of forced departure due to a change of control, are described above.

The Company has not entered into any significant agreements that would be amended or terminated in the event of a change of control over the Company.

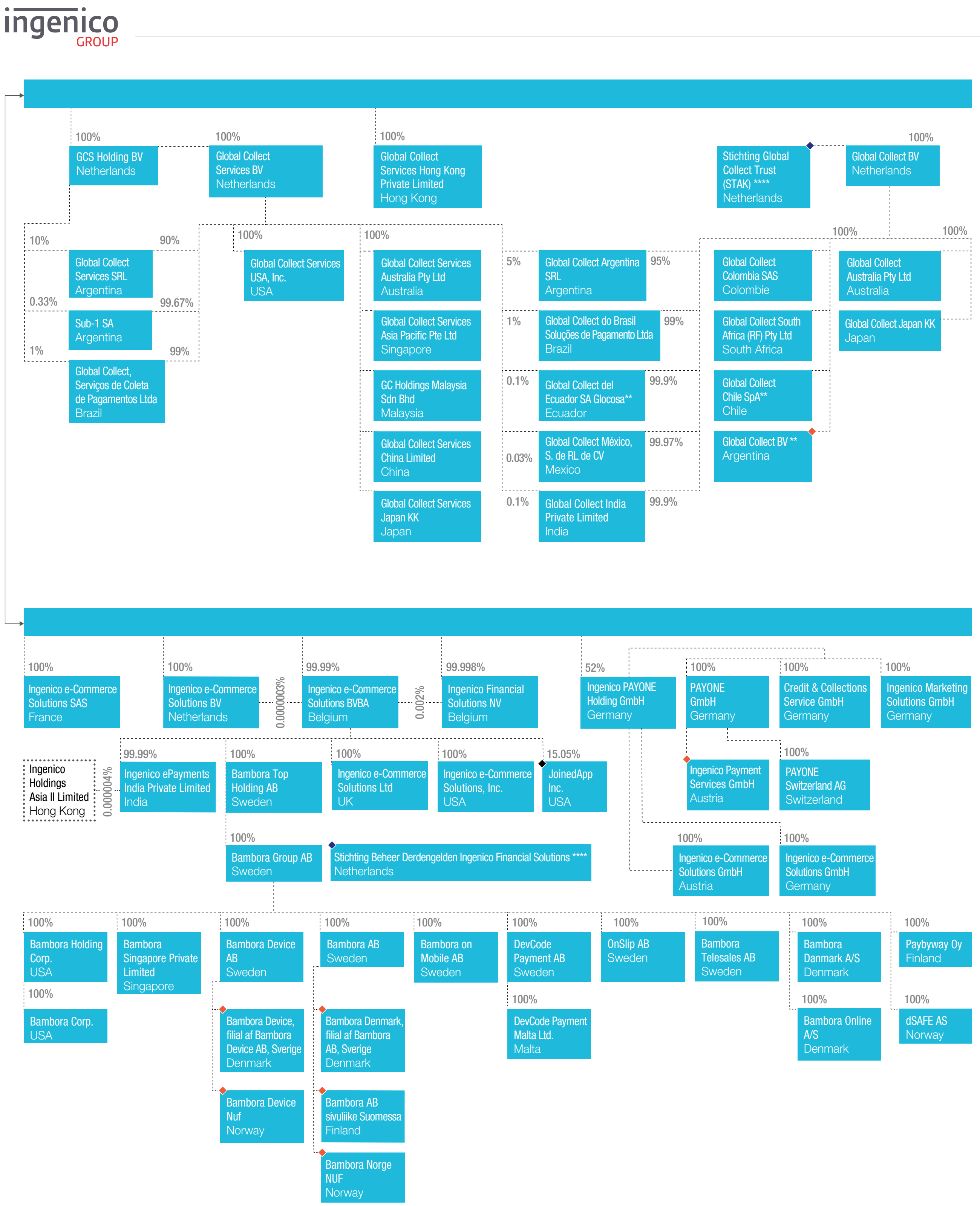
In connection with the bond debt issued on May 13, 2014 and September 13, 2017, the bondholders (as defined in the "Terms and Conditions for the Bonds") are, in the event of a change of control over the issuer, in favor of an acquirer who does not have a minimum credit rating level, entitled to ask the issuer to redeem or facilitate the purchase of their bonds at face value, plus accrued interest, under the "Terms and Conditions for the Bonds – Redemption option for Bondholders further to a change of control". Holders of bonds convertible into and/or exchangeable for new or existing shares (OCEANE) of Ingenico Group SA issued on June 26, 2015 have the right to redeem them in the event of a change of control of the issuer, in favor of an acquirer who does not have a minimum credit rating level, as provided for in the terms and conditions of the said convertible bonds. It is also the same for the private placements subscripted by the Company presented in the Note 9.b to the consolidated financial statements as of December 31, 2019.

Otherwise, in the scope of the Group financing, early redemption is possible at the initiative of Ingenico or the lenders (see Note 9.b. to the consolidated financial statements as of December 31, 2019).

There are no agreements providing for compensation for employees of the Company who resign, are dismissed or have their employment terminated as a result of a public offer.

The Company is not aware of any agreement between the shareholders that may impose restrictions on the transfer of shares and the exercising of voting rights.

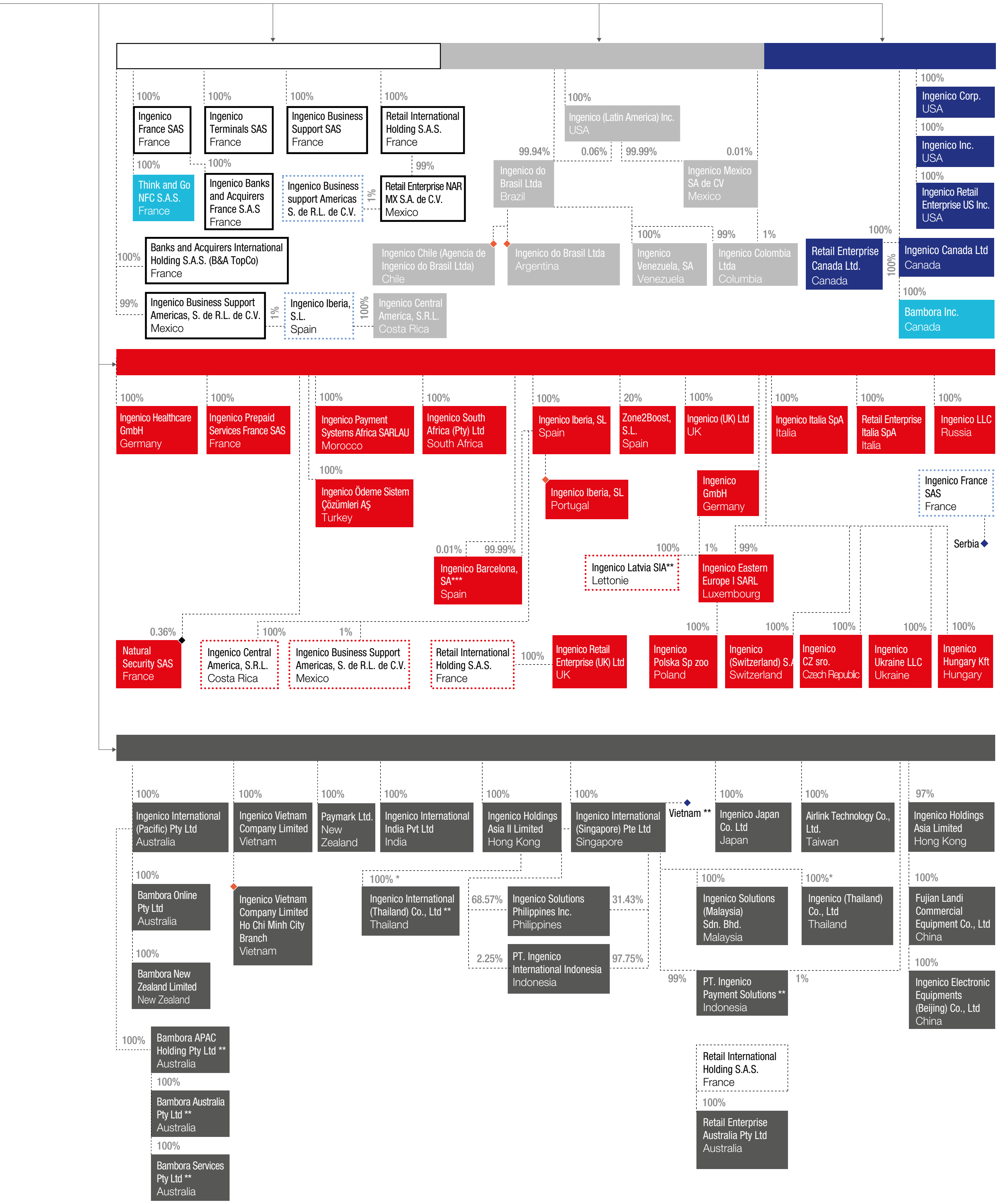
8.1.6 Organizational chart (as of December 31, 2019)



Equity interest
Branch
Representation Office
Shareholder or entity outside region
Central Operations

LAR - Latin America Region
APAC - Asia, Pacific & China
EMEA - Europe, Russia-CIS, Ukraine, Turkey, Africa & Middle East
Retail - SMB, Enterprise, Global Online and PAYONE
NAR - North America Region

* Including direct and indirect equity interest or partners.
** In the process of liquidation or winding-up.
*** Dormant.
**** A stichting is a Dutch foundation used for separate management of merchants funds.
The Administrative Office Foundation (Stichting Administratie Kantoor or STAK) has a contractual relationship (trust conditions) with Global Collect Services B.V. as the holder of depositary receipts and therefore beneficial owner of the shares in Global Collect B.V.
The Administrative Office Foundation (STAK) has no shareholders and is controlled by Ingenico through its board of directors.


100%
Ingenico France SAS
France
100%
Ingenico Terminals SAS
France
100%
Ingenico Business Support SAS
France
100%
Retail International Holding S.A.S.
France
100%
Think and Go NFC S.A.S.
France
100%
Ingenico Banks and Acquirers France S.A.S
France
Ingenico Business support Americas S. de R.L. de C.V.
1%
99%
Retail Enterprise NAR MX S.A. de C.V.
Mexico
100%
Banks and Acquirers International Holding S.A.S. (B&A TopCo)
France
99%
Ingenico Business Support Americas, S. de R.L. de C.V.
Mexico
1%
Ingenico Iberia, S.L.
Spain
100%
Ingenico Central America, S.R.L.
Costa Rica
100%
Ingenico (Latin America) Inc.
USA
99.94%
0.06%
99.99%
0.01%
Ingenico do Brasil Ltda
Brazil
Ingenico Mexico SA de CV
Mexico
Ingenico Chile (Agencia de Ingenico do Brasil Ltda)
Chile
Ingenico do Brasil Ltda
Argentina
100%
Ingenico Venezuela, SA
Venezuela
99%
1%
Ingenico Colombia Ltda
Columbia
100%
Ingenico Corp.
USA
100%
Ingenico Inc.
USA
100%
Ingenico Retail Enterprise US Inc.
USA
100%
Retail Enterprise Canada Ltd.
Canada
100%
Ingenico Canada Ltd
Canada
100%
Bambora Inc.
Canada
100%
Ingenico Healthcare GmbH
Germany
100%
Ingenico Prepaid Services France SAS
France
100%
Ingenico Payment Systems Africa SARLAU
Morocco
100%
Ingenico South Africa (Pty) Ltd
South Africa
100%
Ingenico Iberia, SL
Spain
20%
Zone2Boost, S.L.
Spain
100%
Ingenico (UK) Ltd
UK
100%
Ingenico Italia SpA
Italia
100%
Retail Enterprise Italia SpA
Italia
100%
Ingenico LLC
Russia
100%
Ingenico Ödeme Sistem Çözümleri AŞ
Turkey
Ingenico Iberia, SL
Portugal
Ingenico GmbH
Germany
Ingenico France SAS
France
Serbia
0.01%
99.99%
Ingenico Barcelona, SA***
Spain
100%
Ingenico Latvia SIA**
Lettonie
1%
99%
Ingenico Eastern Europe I SARL
Luxembourg
0.36%
Natural Security SAS
France
100%
1%
Ingenico Central America, S.R.L.
Costa Rica
Ingenico Business Support Americas, S. de R.L. de C.V.
Mexico
Retail International Holding S.A.S.
France
100%
Ingenico Retail Enterprise (UK) Ltd
UK
100%
Ingenico Polska Sp zoo
Poland
100%
Ingenico (Switzerland) S.A.
Switzerland
100%
Ingenico CZ sro.
Czech Republic
100%
Ingenico Ukraine LLC
Ukraine
100%
Ingenico Hungary Kft
Hungary
100%
Ingenico International (Pacific) Pty Ltd
Australia
100%
Ingenico Vietnam Company Limited
Vietnam
100%
Paymark Ltd.
New Zealand
100%
Ingenico International India Pvt Ltd
India
100%
Ingenico Holdings Asia II Limited
Hong Kong
100%
Ingenico International (Singapore) Pte Ltd
Singapore
Vietnam **
100%
Ingenico Japan Co. Ltd
Japan
100%
Airlink Technology Co., Ltd.
Taiwan
97%
Ingenico Holdings Asia Limited
Hong Kong
100%
Bambora Online Pty Ltd
Australia
Ingenico Vietnam Company Limited Ho Chi Minh City Branch
Vietnam
100% *
Ingenico International (Thailand) Co., Ltd **
Thailand
68.57%
Ingenico Solutions Philippines Inc.
Philippines
31.43%
100%
Ingenico Solutions (Malaysia) Sdn. Bhd.
Malaysia
100%*
Ingenico (Thailand) Co., Ltd
Thailand
100%
Fujian Landi Commercial Equipment Co., Ltd
China
100%
Bambora New Zealand Limited
New Zealand
2.25%
PT. Ingenico International Indonesia
Indonesia
97.75%
99%
PT. Ingenico Payment Solutions **
Indonesia
1%
100%
Ingenico Electronic Equipments (Beijing) Co., Ltd
China
100%
Bambora APAC Holding Pty Ltd **
Australia
100%
Bambora Australia Pty Ltd **
Australia
100%
Bambora Services Pty Ltd **
Australia
Retail International Holding S.A.S.
France
100%
Retail Enterprise Australia Pty Ltd
Australia

8.2 INFORMATION ON THE SHARE CAPITAL

8.2.1 Share capital

On December 31, 2019, the Company's total share capital amounted to €63,713,047, for an equivalent number of shares, representing 68,127,199 theoretical voting rights (including shares for which voting rights have been suspended) and 66,811,799 exercisable voting rights, the difference being the treasury shares at that date. The difference between the number of shares and the number of voting rights is due to the existence of double voting rights.

On January 31, 2020, the Company's total share capital amounted to €63,713,047 for an equivalent number of shares, representing 68,096,333 theoretical voting rights (including shares for which voting rights have been suspended) and 66,780,933 exercisable voting rights, the difference being the treasury shares at that date.

8.2.2 Changes in share capital over the past five years

Date	Transaction	Shares issued/ cancelled	Par value	Number of shares	Share capital
January 14, 2015	New shares issued in connection with the conversion of Ingenico 2011/2017 OCEANE bonds, placed on record by the Chairman and Chief Executive Officer	+3,216,566	€1	60,653,347	€60,653,347
June 10, 2015	New shares issued in connection with the distribution of the stock dividend for 2014, placed on record by the Chairman and Chief Executive Officer	+313,580	€1	60,966,927	€60,966,927
July 31, 2015	Shares created in connection with the issuance of 23,673 shares as part of a capital increase limited to Ingenico employees eligible for a company savings plan, placed on record by the Chairman and Chief Executive Officer, as delegated by the Board	+23,673	€1	60,990,600	€60,990,600
June 3, 2016	New shares issued in connection with the distribution of the stock dividend for 2015, placed on record by the Chairman and Chief Executive Officer	+502,641	€1	61,493,241	€61,493,241
October 28, 2016	Cancellation of 149,560 treasury shares	-149,560	€1	61,343,681	€61,343,681
October 29, 2016	Creation of 149,560 fully paid-up new shares at €1 each as part of the vesting of free shares allocated on October 29, 2014, placed on record by the Chairman and Chief Executive Officer	+149,560	€1	61,493,241	€61,493,241
June 12, 2017	New shares issued in connection with the distribution of the stock dividend for 2016, placed on record by the Chairman and Chief Executive Officer	+731,856	€1	62,225,097	€62,225,097
July 26, 2017	Shares created in connection with the issuance of 26,017 shares as part of a capital increase limited to Ingenico employees eligible for a company savings plan, placed on record by the Chairman and Chief Executive Officer, as delegated by the Board	+26,017	€1	62,251,114	€62,251,114

Date	Transaction	Shares issued/ cancelled	Par value	Number of shares	Share capital
July 29, 2017	Creation of 112,000 fully paid-up new shares at €1 each as part of the vesting of free shares allocated on July 29, 2015, placed on record by the Chairman and Chief Executive Officer	+112,000	€1	62,363,114	€62,363,114
June 21, 2018	Creation of 781,413 new shares in connection with the distribution of the stock dividend for 2017, placed on record by the Chairman and Chief Executive Officer	+781,413	€1	63,144,527	€63,144,527
July 9, 2019	Creation of 534,871 new shares in connection with the distribution of the stock dividend for 2018, placed on record by the Chief Executive Officer	+534,871	€1	63,679,398	€63,679,398
July 25, 2019	Creation of 33,649 new shares in connection with the capital increase by issue of shares in favor of Company employees eligible for the company savings plans, placed on record by the Chief Executive Officer	+33,649	€1	63,713,047	€63,713,047

8.2.3 Shareholders' financial authorizations and delegations to the Board of Directors

Authorized unissued capital

A summary of the effective delegations and authorizations granted by shareholders to the Board of Directors regarding share capital increases, and the use made of these authorizations during 2019, is provided hereunder. As some of these authorizations have expired or will expire soon, new authorizations will be submitted to the vote at the Annual General Shareholders' Meeting scheduled for June 11, 2020.

Type of authorization/delegation	Maximum capital increase that may result from the authorization (par value)	Duration	Use made of authorizations during 2019
Annual General Shareholders' Meeting of May 16, 2018 Share capital reduction through cancellation of shares[1] [4]	10% of the share capital	24 months	None
Annual General Shareholders' Meeting of June 11, 2019 Share capital increase *via* incorporation of retained earnings, profits and/or share premiums[4]	€10,000,000 Independent ceiling	26 months	None
Annual General Shareholders' Meeting of May 16, 2018 Issue of ordinary shares conferring, as applicable, entitlement to ordinary shares or to the allocation of debt securities and/or securities conferring access to ordinary shares, with the retention of preferential subscription rights[1] [4]	Aggregate par value of shares that may be issued: €30,000,000[3] Nominal amount of debt securities that may be issued: €1,500,000,000.	26 months	None
Annual General Shareholders' Meeting of May 16, 2018 Issue of ordinary shares conferring, as applicable, entitlement to ordinary shares or debt securities and/or securities conferring access to ordinary shares, with preferential subscription rights waived, by public offer and/or in consideration for shares as part of a public exchange offer[1] [4]	Aggregate par value of shares that may be issued: €6,236,311[2] Nominal amount of debt securities that may be issued: €1,500,000,000[2]	26 months	None
Annual General Shareholders' Meeting of May 16, 2018 Issue of ordinary shares conferring, as applicable, entitlement to ordinary shares or to the allocation of debt securities and/or securities conferring access to ordinary shares, with preferential subscription rights waived, by means of an offer as described in Article L.411-2 II of the French Monetary and Financial Code[1] [4]	Aggregate par value of shares that may be issued: €6,236,311[2] Nominal amount of debt securities that may be issued: €1,500,000,000[2]	26 months	None
Annual General Shareholders' Meeting of May 16, 2018 Share capital increase in consideration for contributions in kind of shares or securities conferring access to the share capital[1] [4]	10% of the share capital[2]	26 months	None
Annual General Shareholders' Meeting of June 11, 2019 Share capital increase, with preferential subscription rights waived, reserved for employees belonging to a Company or Group savings plan[1] [4]	2% of the share capital Independent ceiling	26 months	Increase of capital by issue of 33,649 shares under the authorization granted for this purpose that was in place prior to June 11, 2019
Annual General Shareholders' Meeting of June 11, 2019 Issuance of ordinary shares, with preferential subscription rights waived, to employees, directors and executive officers of Group subsidiaries located outside France who are not members of a Company savings plan[1] [4]	2% of the share capital Independent ceiling	18 months	None

Type of authorization/delegation	Maximum capital increase that may result from the authorization (par value)	Duration	Use made of authorizations during 2019
Annual General Shareholders' Meeting of June 11, 2019 Free awards of new or existing shares	3% of the share capital, with a limit of 0.5% of share capital for the Company's directors and executive officers	38 months	Award of 471,361 shares on the basis of performance criteria (for further details please see section 3.3.3 of this Universal Registration Document) under the authorization granted for this purpose that was in place prior to June 11, 2019

(1) New delegations and authorizations will be put to a vote at the Combined Ordinary and Extraordinary Shareholders' Meeting to be held on June 11, 2020.

(2) These delegations were provided within the following aggregate ceilings: Maximum nominal amount of capital increases: 10% of the share capital on the day of the Annual General Shareholders' Meeting of May 16, 2018 (i.e., €6,236,311). Any capital increases occurring under these resolutions will be deducted from the total nominal amount of shares that may be issued under the scope of the delegation, with retention of the above preferential subscription rights. Maximum total amount of debt securities that may be issued: €1,500,000.

(3) The nominal amount of any share capital increases (immediate or long-term) that may be carried out on the basis of the delegations granted by the Annual General Shareholders' Meeting of May 16, 2018 for the purpose of carrying out issues with preferential subscription rights waived, by public offer or in consideration for a public exchange offer, via private investment, as well as under the scope of the extension clause or in consideration for contributions in kind, is deducted from this amount.

(4) Suspended during public offer periods.

Authorization to repurchase its own shares

Company transactions to buy back its own shares during 2019 (Article L.225-211 of the French Commercial Code)

The Annual General Shareholders' Meeting of June 11, 2019 authorized the Company to launch a share repurchase program, a description of which was included in the Registration Document filed with the AMF on April 23, 2019. The launch of this program was decided by the Board of Directors on June 11, 2019.

This program replaces the program authorized by the Annual General Shareholders' Meeting on May 16, 2018.

Number of treasury shares purchased and sold during 2019

In 2019:

- 704,899 shares were purchased under the liquidity contract at an average price of €79.9165;
- 704,899 shares were sold under the liquidity contract at an average price of €80.1045.

Number and value of treasury shares as of December 31, 2019

As a result of trading activity during the year, the liquidity contract portfolio did not contain any shares as of December 31, 2019.

Furthermore, as of December 31, 2019, the portfolio of shares purchased for other reasons by the Company stood at 1,315,400 shares.

On December 31, 2019, the Company therefore held a total of 1,315,400 treasury shares, of which:

- none were purchased under the liquidity contract;
- 1,315,400 were purchased for other purposes, representing 2.06% of the total share capital of 63,713,047 shares with a par value of €1 each.

The values of this portfolio at that date were as follows:

- book value: €86,803,228.69;
- market value: €127,330,720 based on the closing price of €96.80 on December 31, 2019;
- total nominal value: €1,315,400.

Use of treasury shares, including transfers, for other purposes

During 2019, 44,954 treasury shares were used for grants to beneficiaries of free share award plans and to the executive officer.

No reallocation occurred during the 2019 reporting period.

Authorization to reduce the share capital

At their Annual General Shareholders' Meeting on May 16, 2018, the shareholders authorized the Company to reduce the share capital by canceling treasury shares for a period of 24 months, *i.e.*, until May 15, 2020.

A further authorization to reduce the share capital will be put to the vote at the Annual General Shareholders' Meeting of June 11, 2020.

Some 149,560 shares held by the Company were canceled on October 28, 2016 under the authorization granted by the Annual General Shareholders' Meeting of April 29, 2016.

This authorization was not used during the 2019 reporting period.

Open position on derivative products

	Open call positions		Open put positions	
	Call options bought	Forward purchases	Call options sold	Forward sales
Number of securities	1,500,000	-	-	-
Average maximum maturity	6/26/2022	-	-	-
Exercise price *(in euros)*	172.15	-	-	-

Ingenico Group completed the purchase of 1,500,000 call options (US options) that may be exercised at any time until their expiration, covering 1,513,500 shares[1], which will allow it to partially cover its obligations to deliver treasury shares, as part of any conversion of bonds that are convertible or exchangeable for new or existing shares (OCEANE), maturing on June 26, 2022. These options cover 52.1% of the 2,904,443 outstanding OCEANE bonds.

(1) Subject to future parity adjustments.

8.2.4 Potential share capital

The potential share capital comprises free shares that may be newly issued or outstanding, as well as OCEANE convertible/exchangeable bonds issued on June 26, 2015.

As of December 31, 2019, this represents a maximum capital dilution of 5.89% (excluding OCEANE-related derivatives and treasury shares) and of 3.52% (after deducting OCEANE-related derivatives and treasury shares).

Stock options

As of December 31, 2019, there were no exercisable stock options.

Performance shares

During 2019, the Company awarded 471,361 free shares to Group employees, which will be vested once the performance criteria have been achieved. These criteria are detailed in section 3.3.3 of this Universal Registration Document.

As of December 31, 2019, there were 823,832 free shares outstanding for which the vesting period had not yet expired, representing a dilution rate of 1.30% of the Company's share capital.

The Board of Directors may decide to record these shares as either existing or new shares until the vesting date.

OCEANE bond maturing June 26, 2022

On June 26, 2015, pursuant to the 12th resolution of the Extraordinary General Shareholders' Meeting of May 6, 2015, the Company launched a €500 million bond issue for private placement without preferential subscription rights. The issue comprised 2,904,443 bonds, convertible into and/or exchangeable for new or existing shares, with a face value of €172.15 each, at an original conversion rate of 1 share for 1 bond. These OCEANE bonds are listed on the open market and mature on June 26, 2022.

They do not bear a coupon. The Company may, at its discretion, deliver new shares or existing shares or a combination of both.

No new shares were issued in 2019 for the OCEANE bond issued on June 26, 2015.

As of December 31, 2019, the number of shares that could be issued was 2,930,583 following an adjustment of the conversion ratio, 1,009 shares per bond.

Taking into consideration the hedge transaction to cover the potential dilution connected with OCEANE convertible bonds, completed in November 2016 in the form of the purchase of 1,500,000 call options on 1,513,500 shares, the maximum capital dilution linked to the OCEANE bonds on that date is 2.22%.

8.3 SHARE OWNERSHIP

8.3.1 Changes in share ownership over the last three financial years

Share ownership is broken down based on a total of 63,713,047 shares as of December 31, 2019, which carry a total of 66,811,799 voting rights (including double voting rights and excluding treasury shares).

Shares that have been registered for over two years have double voting rights. These double voting rights are based on the information in the Shareholders' Register managed by Caceis Corporate Trust.

Pursuant to Article L.225-124, paragraph 1 of the French Commercial Code, double voting rights are rendered null and void ipso jure when shares are converted into bearer form or if their ownership is transferred.

However, transfers through inheritance, the liquidation of marital assets, inter vivos transfers to a spouse or direct relative and transfers resulting from the merger or demerger of a shareholding company do not result in the loss of double voting rights.

Major shareholders

To the best of the Company's knowledge, share ownership as of December 31, 2019 was broken down as follows:

As of December 31, 2019	Number of shares	% shares	Number of voting rights	% actual voting rights	% theoretical voting rights(1)
Shareholders					
Blackrock Inc(2)	4,218,469	6.62%	4,218,469	6.31%	6.19%
BPI France Participations(3)	3,317,081	5.21%	6,634,162	9.93%	9.74%
FIL Limited(4)	2,519,595	3.96%	2,519,595	3.77%	3.70%
Allianz Global Investors GmbH(5)	2,485,644	3.90%	2,485,644	3.72%	3.65%
MAJOR SHAREHOLDERS	**12,540,789**	**19.68%**	**15,857,870**	**23.74%**	**23.28%**
Employee share offers (Article L.225-102 of the French Commercial Code)	174,680	0.27%	330,350	0.49%	0.48%
Treasury shares	1,315,400	2.06%	-	-	1.93%
of which, shares held under liquidity contract	-	-	-	-	-
Other shareholders (bearer and registered)	49,682,178	77.98%	50,623,579	75.77%	74.31%
TOTAL	**63,713,047**	**100%**	**66,811,799**	**100%**	**100%**

(1) Pursuant to Article 223-11 of the AMF General Regulations, the number of theoretical voting rights is calculated on the basis of all shares with voting rights, including shares with suspended voting rights.

(2) Based on the most recent information in the shareholding threshold crossing statement received on June 24, 2019 (position as of June 21, 2019).

(3) BPI France Participations is indirectly controlled by the Caisse des dépôts et consignations, which indirectly holds 3,317,081 shares and 6,634,162 voting rights according to the latest shareholding threshold crossing statement received on May 31, 2017 (position as of May 25, 2017).

(4) Based on the most recent information in the shareholding threshold crossing statement received on July 24, 2019 (position as of July 23, 2019).

(5) Based on the most recent information in the shareholding threshold crossing statement received on November 13, 2019 (position as of November 12, 2019).

To the best of the Company's knowledge, there is no other shareholder who holds, directly or indirectly, either acting alone or in concert, over 2% of the share capital or voting rights as of December 31, 2019.

To the best of the Company's knowledge, there has been no significant change since December 31, 2019, with the exception of the threshold crossings disclosed below.

The Company is not controlled by another company within the meaning of Article L.233-3 of the French Commercial Code. To the best of the Company's knowledge, there are no agreements in place that could bring about a change in control at some future date.

To the best of the Company's knowledge, share ownership as of December 31, 2018 was broken down as follows:

As of December 31, 2018	Number of shares	% shares	Number of voting rights	% actual voting rights	% theoretical voting rights(1)
Shareholders					
Allianz Global Investors GmbH(2)	3,757,120	5.95%	3,757,120	5.54%	5.43%
BPI France Participations(3)	3,317,081	5.25%	6,634,162	9.78%	9.59%
Blackrock Inc(4)	3,009,202	4.77%	3,009,202	4.44%	4.35%
MAJOR SHAREHOLDERS	**10,083,403**	**15.97%**	**13,400,484**	**19.76%**	**19.38%**
Employee share offers (Article L.225-102 of the French Commercial Code)	160,396	0.25%	306,496	0.45%	0.44%
Treasury shares	1,360,354	2.15%	-	-	1.97%
of which, shares held under liquidity contract	-	-	-	-	-
Other shareholders (bearer and registered)	51,540,374	81.62%	54,096,016	79.78%	78.21%
TOTAL	**63,144,527**	**100%**	**67,802,996**	**100%**	**100%**

(1) Pursuant to Article 223-11 of the AMF General Regulations, the number of theoretical voting rights is calculated on the basis of all shares with voting rights, including shares with suspended voting rights.

(2) Based on the most recent information in the shareholding threshold crossing statement received on November 9, 2018 (position as of November 8, 2018).

(3) BPI France Participations is indirectly controlled by the Caisse des Dépôts et Consignations, which indirectly holds 3,317,081 shares and 6,634,162 voting rights according to the latest shareholding threshold crossing statement received on May 31, 2017 (position as of May 25, 2017).

(4) Based on the information in the shareholding threshold crossing statement received on March 26, 2018 (position as of March 22, 2018).

To the best of the Company's knowledge, share ownership as of December 31, 2017 was broken down as follows:

Balance at December 31, 2017	Number of shares	% shares	Number of voting rights	% actual voting rights	% theoretical voting rights(1)
Shareholders					
Allianz Global Investors GmbH(2)	4,910,776	7.88%	4,910,776	7.20%	7.19%
BPI France Participations(3)	3,317,081	5.32%	6,634,162	9.73%	9.71%
Jupiter Asset Management Limited(4)	2,470,854	3.96%	2,470,854	3.62%	3.62%
MAJOR SHAREHOLDERS	**10,698,711**	**17.16%**	**14,015,792**	**20.55%**	**20.51%**
Employee share offers (Article L.225-102 of the French Commercial Code)	162,950	0.26%	309,050	0.45%	0.45%
Treasury shares	114,734	0.18%	-	-	0.17%
of which, shares held under liquidity contract	-	-	-	-	-
Other shareholders (bearer and registered)	51,386,719	82.40%	53,887,512	79.00%	78.87%
TOTAL	**62,363,114**	**100%**	**68,212,354**	**100%**	**100%**

(1) Pursuant to Article 223-11 of the AMF General Regulations, the number of theoretical voting rights is calculated on the basis of all shares with voting rights, including shares with suspended voting rights.

(2) Based on the most recent information in the shareholding threshold crossing statement received on November 17, 2016 (position as of November 15, 2016).

(3) BPI France Participations is indirectly controlled by the Caisse des Dépôts et Consignations, which indirectly holds 3,317,081 shares and 6,634,162 voting rights according to the latest shareholding threshold crossing statement received on May 31, 2017 (position as of May 25, 2017).

(4) Based on the information in the shareholding threshold crossing statement received on October 3, 2017 (position as of October 2, 2017).

To the best of the Company's knowledge, share ownership as of December 31, 2016 was broken down as follows:

Balance as of December 31, 2016	Number of shares	% shares	Number of voting rights	% actual voting rights	% theoretical voting rights(1)
Shareholders					
Allianz Global Investors GmbH(2)	4,910,776	7.99%	4,910,776	7.52%	7.51%
BPI France Participations(3)	3,335,935	5.42%	3,335,935	5.11%	5.10%
Jupiter Asset Management Limited(4)	3,189,054	5.18%	4,404,847	6.75%	6.73%
Amundi(5)	2,365,271	3.85%	2,365,271	3.62%	3.62%
MAJOR SHAREHOLDERS	**13,801,036**	**22.44%**	**15,016,829**	**23.00%**	**22.96%**
Employee share offers (Article L.225-102 of the French Commercial Code)	157,956	0.26%	303,828	0.46%	0.46%
Treasury shares	116,534	0.19%	-	-	0.18%
of which, shares held under liquidity contract	-	-	-	-	-
Other shareholders (bearer and registered)	47,417,715	77.11%	49,966,625	76.54%	76.40%
TOTAL	**61,493,241**	**100%**	**65,287,282**	**100%**	**100%**

(1) Pursuant to Article 223-11 of the AMF General Regulations, the number of theoretical voting rights is calculated on the basis of all shares with voting rights, including shares with suspended voting rights.

(2) Based on the most recent information in the shareholding threshold crossing statement received on November 17, 2016 (position as of November 15, 2016).

(3) BPI France Participations is indirectly controlled by the Caisse des dépôts et consignations, which indirectly holds 3,630,945 shares and voting rights according to the latest shareholding threshold crossing statement received on July 27, 2015 (position as of July 22, 2015).

(4) Based on the most recent information in the shareholding threshold crossing statement (pursuant to Article L.233-7 of the French Commercial Code) received on March 29, 2016 (position as of March 23, 2016).

(5) Based on the information in the shareholding threshold crossing statement received on July 22, 2016.

8.3.2 Dividend policy

The Board of Directors decides on the amount of dividend payments, which are based on the Company's operational results, financial position and investment policy in particular. The Company's dividend policy is based on paying out a dividend representing 35% of its net profit.

However, on account of the Covid-19 crisis, the Board of Directors has decided, on an exceptional basis, to submit a resolution to the Annual General Shareholders' Meeting to be held on June 11, 2020 to not distribute a dividend for 2019.

Financial year for which dividends were paid	Net dividend per share *(in euros)*	Dividend payment date
2019	0	–
2018	1.10	July 9, 2019
2017	1.60	June 21, 2018
2016	1.50	June 12, 2017
2015	1.30	June 3, 2016

Five years after the distribution date, all unclaimed dividends will be forfeited and paid to the French Treasury.

8.3.3 Shareholding disclosure thresholds as of March 31, 2020

Regulatory thresholds

The complete version of the following statements regarding the crossing of major shareholding thresholds can be viewed online on the AMF website.

Shareholder	AMF ruling no.	AMF ruling date	Date threshold was crossed	Threshold	Threshold crossed by increase or decrease
Allianz Global Investors GmbH	219C0224	February 6, 2019	February 5, 2019	5% of share capital	Decrease
BlackRock Inc.	219C0848	May 24, 2019	May 22, 2019	5% of share capital	Increase
BlackRock Inc.	219C0862	May 27, 2019	May 23, 2019	5% of share capital	Decrease
BlackRock Inc.	219C0902	June 3, 2019	May 29, 2019	5% of share capital	Increase
BlackRock Inc.	219C0903	June 3, 2019	May 30, 2019	5% of share capital	Decrease
BlackRock Inc.	219C0917	June 4, 2019	May 31, 2019	5% of share capital	Increase
BlackRock Inc.	219C0921	June 5, 2019	June 3, 2019	5% of voting rights	Increase
Caisse des dépôts et consignations	220C0109	January 9, 2020	January 2, 2020	10% of voting rights	Increase
JP Morgan Chase & Co	220C0551	February 10, 2020	February 5, 2020	5% of share capital and voting rights	Increase
JP Morgan Chase & Co	220C0603	February 13, 2020	February 10, 2020	5% of share capital and voting rights	Decrease
JP Morgan Chase & Co	220C0721	February 24, 2020	February 18, 2020	5% of share capital and voting rights	Increase
UBS Group AG	220C0757	February 26, 2020	February 20, 2020	5% of share capital and voting rights	Increase
Société Générale	220C0775	February 27, 2020	February 25, 2020	5% of share capital and voting rights	Increase
UBS Group AG	220C0802	February 28, 2020	February 25, 2020	5% of share capital and voting rights	Decrease
Société Générale	220C0801	February 28, 2020	February 26, 2020	5% of share capital and voting rights	Decrease
JP Morgan Chase & Co	220C1050	March 23, 2020	March 18, 2020	5% of share capital and voting rights	Decrease

Company statutory thresholds

Shareholder	Date threshold was crossed	Threshold crossed by increase or decrease	Threshold	Number of shares after threshold crossed	% of share capital after threshold crossed	% of voting rights after threshold crossed
Amundi	January 3, 2019	Increase	2% in share capital	1,274,614	2.01%	-
FIL Limited	January 14, 2019	Increase	2% in share capital	1,274,545	2.02%	1.84%
FIL Limited	January 23, 2019	Increase	2% in voting rights	1,541,648	2.44%	2.23%
Amundi	February 5, 2019	Decrease	2% in share capital	1,262,770	1.99%	-
Allianz Global Investors Fund	February 5, 2019	Decrease	2% in voting rights	1,306,151	2.07%	1.89%
Allianz Global Investors GmbH	February 19, 2019	Decrease	4% in voting rights	2,687,809	4.26%	3.89%
Allianz Global Investors Fund	February 19, 2019	Decrease	2% in share capital	1,089,058	1.72%	1.57%
Allianz Global Investors GmbH	May 8, 2019	Increase	4% in voting rights	2,869,289	4.54%	4.15%
Allianz Global Investors GmbH	May 9, 2019	Decrease	4% in voting rights	2,669,388	4.23%	3.86%
Allianz Global Investors GmbH	May 17, 2019	Increase	4% in voting rights	2,863,179	4.53%	4.14%
Allianz Global Investors GmbH	May 20, 2019	Decrease	4% in voting rights	2,666,092	4.22%	3.86%
Allianz Global Investors GmbH	June 5, 2019	Increase	4% in voting rights	2,995,703	4.74%	4.34%
BlackRock Inc.	June 11, 2019	Increase	6% in share capital	3,928,632	6.22%	5.69%
BlackRock Inc.	June 12, 2019	Decrease	6% in share capital	3,752,080	5.94%	5.43%
Allianz Global Investors GmbH	June 12, 2019	Decrease	4% in voting rights	2,662,515	4.22%	3.85%
BlackRock Inc.	June 19, 2019	Increase	6% in share capital	3,987,821	6.32%	5.77%
BlackRock Inc.	June 21, 2019	Increase	6% in voting rights	4,218,469	6.68%	6.11%
FIL Limited	July 2, 2019	Increase	4% in share capital	2,591,768	4.10%	3.75%
Allianz Global Investors GmbH	July 3, 2019	Increase	4% in voting rights	3,018,170	4.78%	4.36%
Allianz Global Investors Fund	July 3, 2019	Increase	2% in voting rights and share capital	1,403,063	2.22%	2.03%
Allianz Global Investors Fund	July 15, 2019	Decrease	2% in voting rights	1,337,022	2.10%	1.92%
Allianz Global Investors GmbH	July 18, 2019	Decrease	4% in voting rights	2,617,122	4.11%	3.76%
Allianz Global Investors Fund	July 18, 2019	Decrease	2% in share capital	1,032,927	1.62%	1.48%
FIL Limited	July 23, 2019	Increase	4% in voting rights	2,785,946	4.38%	4.03%
FIL Limited	July 24, 2019	Decrease	4% in voting rights and share capital	2,519,595	3.96%	3.64%
Allianz Global Investors GmbH	August 7, 2019	Decrease	4% in share capital	2,544,221	3.99%	3.68%
Allianz Global Investors GmbH	August 8, 2019	Increase	4% in share capital	2,601,795	4.08%	3.76%
Allianz Global Investors GmbH	August 8, 2019	Increase	4% in voting rights	2,862,653	4.49%	4.14%
Allianz Global Investors GmbH	August 20, 2019	Decrease	4% in voting rights	2,553,215	4.01%	3.69%
Allianz Global Investors GmbH	August 23, 2019	Decrease	4% in share capital	2,547,804	3.99%	3.68%

Shareholder	Date threshold was crossed	Threshold crossed by increase or decrease	Threshold	Number of shares after threshold crossed	% of share capital after threshold crossed	% of voting rights after threshold crossed
Allianz Global Investors GmbH	October 4, 2019	Increase	4% in voting rights and share capital	2,790,630	4.38%	4.08%
Allianz Global Investors GmbH	October 22, 2019	Decrease	4% in voting rights and share capital	2,502,935	3.93%	3.66%
Allianz Global Investors GmbH	November 11, 2019	InDecrease	4% in share capital	2,567,534	4.03%	3.76%
Allianz Global Investors GmbH	November 12, 2019	Decrease	4% in share capital	2,485,644	3.90%	3.64%
BlackRock Inc.	January 2, 2020	Decrease	6% in voting rights	4,073,449	6.39%	5.98%
BlackRock Inc.	January 7, 2020	Increase	6% in voting rights	4,091,747	6.42%	6.01%
BlackRock Inc.	January 13, 2020	Decrease	6% in voting rights	4,025,595	6.32%	5.91%
BlackRock Inc.	January 14, 2020	Increase	6% in voting rights	4,143,532	6.50%	6.08%
BlackRock Inc.	February 5, 2020	Decrease	6% in voting rights	4,062,197	6.38%	5.97%
JP Morgan Securities plc	February 5, 2020	Increase	6% in share capital	3,826,300	6.01%	5.62%
BlackRock Inc.	February 6, 2020	Increase	6% in voting rights	4,376,547	6.87%	6.43%
JP Morgan Securities plc	February 10, 2020	Decrease	6% in share capital	14,234	0.02%	0.02%
UBS AG	February 20, 2020	Increase	4% in voting rights and share capital	3,037,352	4.77%	4.46%
UBS Group AG	February 20, 2020	Increase	6% in share capital	4,020,542	6.31%	5.90%
UBS Group AG	February 21, 2020	Decrease	6% in share capital	3,710,398	5.82%	5.45%
UBS Group AG	February 25, 2020	Decrease	2% in share capital and voting rights	0	0%	0%
Société Générale	February 26, 2020	Decrease	2% in share capital and voting rights	0	0%	0%
Crédit Suisse Group	March 3, 2020	Increase	2% in share capital	1,384,052	2.03%	-
BlackRock Inc.	March 10, 2020	Increase	8% in share capital	5,156,882	8.09%	7.59%
JP Morgan Securities LLC	March 18, 2020	Decrease	2% in share capital and voting rights	10,209	0.02%	0.02%
BlackRock Inc.	March 19, 2020	Decrease	8% in share capital	4,765,340	7.48%	7.02%
Allianz Global Investors GmbH	March 24, 2020	Decrease	2% in voting rights	1,352,607	2.12%	1.99%
Allianz Global Investors GmbH	March 27, 2020	Decrease	2% in share capital	1,247,994	1.96%	1.84%

8.3.4 Shareholder agreements

To the best of the Company's knowledge, there is no agreement or shareholders' agreement as mentioned in Article L.233-11 of the French Commercial Code other than that published by the AMF under the number 206C2177, concluded on November 23, 2006 by Candel & Partners SAS[1], FBT SCA[2] (formerly Financière de Tayninh SCA), Consellior SAS[3] and Allan Green with Raiffeisen Centrobank AG[4] (hereinafter referred to as "RCB") in relation to Ingenico. This agreement restated and replaced the shareholders' agreement entered into on October 4, 2004, which constituted an action in concert between its signatories (refer to AMF Ruling and Notice No. 204C1192 of October 7, 2004 and AMF Ruling and Notice No. 204C1198 of October 11, 2004).

On November 8, 2011, Allan Green informed the Company and the AMF that, on November 4, 2011, the Consellior group and RCB had ended their action in concert and adherence to the shareholders' agreement of November 23, 2006. Since that date, the Consellior group has consisted only of Consellior SAS, Candel & Partners and Mr. Allan Green.

(1) Company controlled by Mr. Allan Green, 4 Avenue Hoche, 75008 Paris, France.

(2) Limited partnership wholly owned by Candel & Partners, 4 avenue Hoche, 75008 Paris, France.

(3) Limited liability joint-stock company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris, France.

(4) Company of the banking Group Raiffeisen, Tegetthoffstrasse 1, A-1010 Vienna, Austria.

8.4 MARKET FOR INGENICO GROUP SHARES

8.4.1 Listing

Ingenico Group shares are listed in France on Euronext Paris (Compartment A) and have been included since August 2015 in the CAC Next 20 Index.

Ingenico Group announced the reclassification of its ICB (Industry Classification Benchmark) category from "Industrial Goods and Services" to "Technology" as of March 19, 2012. Ingenico Group is also included in the Stoxx Europe 600 and SBF 120 stock market indexes.

At the end of December 2019, Ingenico's share price closed at €96.80 and its market capitalization was €6.17 billion.

8.4.2 Ingenico Group share price and volume of transactions (ISIN: FR0000125346)

Change in the share price and volume of transactions over 18 months

Month	High *(in €)*	Low *(in €)*	Volume traded *(in millions of shares)*	Closing price *(in €)*	Capital traded *(in € millions)*	Average price *(in €)*
September 2018	65.44	56.26	8.81	65.44	536.28	61.35
October 2018	68.50	62.64	11.98	62.64	793.96	65.67
November 2018	68.00	60.36	6.99	63.76	452.48	64.47
December 2018	64.00	48.02	7.20	49.54	395.31	54.52
January 2019	52.76	45.00	8.58	47.61	416.98	49.67
February 2019	59.02	46.84	7.41	59.02	391.71	53.01
March 2019	64.24	59.00	6.08	63.62	375.86	61.85
April 2019	76.06	64.48	6.69	75.16	462.30	68.22
May 2019	74.98	70.62	6.84	71.58	496.28	72.60
June 2019	77.78	72.32	5.82	77.78	440.50	75.92
July 2019	86.00	74.78	7.75	86.00	619.69	79.11
August 2019	90.50	82.30	5.48	90.20	474.36	86.99
September 2019	92.72	85.46	5.37	89.50	478.19	89.25
October 2019	96.62	86.28	6.69	95.74	619.17	92.03
November 2019	98.06	94.86	6.19	96.86	599.73	96.73
December 2019	98.30	94.00	4.46	96.80	427.01	96.01
January 2020	106.05	97.08	6.24	105.20	633.67	100.71
February 2020	142.10	121.80	14.76	127.95	1,887.12	133.68

Data: Bloomberg.

8.4.3 OCEANE bonds and standard bonds

Bond debt

To improve its financial flexibility, Ingenico Group SA has issued two bonds:

- on May 20, 2014, the Group issued a bond maturing on May 20, 2021. The par value of the issue is €450,000,000, or 4,500 bonds with a face value of €100,000. The bonds pay a coupon of 2.50%;
- on September 13, 2017, issue of bonds maturing on September 13, 2024. The par value of the bond is €600,000,000, or 6,000 bonds with a face value of €100,000. The bonds pay a coupon of 1.625%.

The bond issue costs and issue premium are amortized on a straight-line basis over the term of the bond. The bonds are listed on the Euronext Paris market.

Convertible bond debt

Details of the OCEANE bonds issued on June 26, 2015 are included in section 8.2.4 of this Universal Registration Document.

As of December 31, 2019, there were 2,904,443 OCEANE bonds outstanding, representing a par value of €172.15. On December 31, 2019 the conversion rate was 1.009 shares per bond.

8.5 ADDITIONAL INFORMATION

8.5.1 Documents available to the public

The Articles of Association and the parent company and consolidated financial statements for the last three financial years may be consulted by appointment at the head office and viewed online at www.ingenico.com/finance.

8.5.2 Financial communication calendar for 2020

The financial communication calendar can be found on the website www.ingenico.com/finance.

8.5.3 Person responsible for the Universal Registration Document

Certification of the person responsible for the Universal Registration Document

"I hereby certify, having taken all reasonable care to ensure that such is the case, that the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and does not contain any omission that might affect its significance.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with the relevant accounting standards and give a true representation of the assets, financial position and operational results of the Company and all its consolidated entities, and that the Board of Directors' management report, for which a cross-reference table can be found on page 314 of this Universal Registration Document, is a true reflection of changes in the business, operational results and financial position of the Company and all its consolidated entities, as well as a description of the main risks and uncertainties facing them".

Nicolas Huss,
Chief Executive Officer

Person responsible for the financial information as of the date of this Universal Registration Document

Michel-Alain Proch, Chief Financial Officer (+33 (0) 1 58 01 84 33)

8.5.4 Person responsible for the audit of the financial statements and fees

Information on the Statutory Auditors

Statutory Auditors and Alternate Auditors

Statutory Auditor
KPMG SA
(775 726 417 RCS Nanterre)
Tour EQHO – 2, avenue Gambetta
92066 Paris-La Défense Cedex, France
Represented by Mr. Frédéric Quelin

KPMG SA is a member of the Compagnie régionale des Commissaires aux comptes de Versailles (the Versailles Regional Association of Statutory Auditors).
First appointed: April 29, 2016

Alternate Auditor
SALUSTRO REYDEL
(652 044 371 RCS Nanterre)
Tour EQHO – 2, avenue Gambetta
92066 Paris-La Défense Cedex, France

SALUSTRO REYDEL is a member of the Compagnie régionale des Commissaires aux comptes de Versailles (the Versailles Regional Association of Statutory Auditors).
First appointed: April 29, 2016

KPMG SA was appointed principal Statutory Auditor to replace KPMG Audit IS SAS, and Salustro Reydel was appointed to replace KPMG Audit ID at the Annual General Shareholders' Meeting of April 29, 2016, for a term of six fiscal years, *i.e.*, until the Annual General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021.

Statutory Auditor
Mazars
(784 824 153 RCS Nanterre)
Tour Exaltis – 61, rue Henri-Regnault
92075 Paris – La Défense, France
Represented by Mrs Ariane Mignon

Mazars is a member of the Compagnie régionale des Commissaires aux comptes de Versailles (the Versailles Regional Association of Statutory Auditors).
First appointed: April 29, 2013

Alternate Auditor
Mr. Jean-Louis Simon
(784 824 153 RCS Nanterre)
Tour Exaltis – 61, rue Henri-Regnault
92075 Paris – La Défense, France

Mr. Jean-Louis Simon is a member of the Compagnie régionale des Commissaires aux comptes de Versailles (the Versailles Regional Association of Statutory Auditors).
First appointed: April 29, 2013

Mazars and Jean-Louis Simon were reappointed at the Annual General Shareholders' Meeting of April 29, 2016 for a period of six fiscal years, *i.e.*, until the Annual General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2021.

Statutory Auditors' fees

The Statutory Auditors' fees are presented in Note 16 of the Consolidated financial statements as of December 31, 2019 and Note 21 of the Parent company financial statements of Ingenico Group SA at the same date presented in sections 5 and 6 of this Universal Registration Document.

CROSS-REFERENCE TABLE TO THE UNIVERSAL REGISTRATION DOCUMENT

Commission regulation (EC) No 2017/1129 dated June 14, 2017 – Annexes I and II of Delegated regulation (EU) 2019/980		Universal Registration Document
No.	**Heading**	**Location in the 2019 Universal Registration Document**
1.	**Persons responsible, third party information, experts' reports and competent authority approval**	
1.1	Persons responsible for the information given in the Universal Registration Document	8.5.3
1.2	Declaration by the persons responsible for the Universal Registration Document	8.5.3
1.3	Name, address, qualifications of persons acting as experts	n.a.
1.4	Certification of third party information	n.a.
1.5	Statement of the competent authority	Page 1
2.	**Statutory auditors**	
2.1	Names and addresses of the issuer's statutory auditors for the period covered by the financial statements	8.5.4
2.2	Statutory auditors that have resigned, been removed or not been reappointed during the period covered by the financial statements	8.5.4
3.	**Risk factors**	**1.2**
4.	**Information about the issuer**	
4.1	Corporate name and trade name	8.1.1
4.2	Place, registration number and LEI	8.1.3
4.3	Date of incorporation and statutory length of life	8.1.3
4.4	Head office and legal form, legislation under which the issuer operates, country of incorporation, the address, telephone number of its registered office, website and a disclaimer	8.1.3
5.	**Business overview**	
5.1	Principal activities	1.1
5.2	Principal markets	1.1
5.3	Important events	5.6
5.4	Strategy and objectives	Pages 10-11 / 1.1.5
5.5	Dependence of the issuer on patents, licenses, contracts and manufacturing processes	1.2.1
5.6	Competitive position statement	1.1.5 / 1.2.1
5.7	Investments	5.6
5.7.1	Material investments	5.6
5.7.2	Main current or future investment	4.2 / 5.6
5.7.3	Information about Joint ventures and interests	5.6 (note 14)
5.7.4	Environmental issues that may affect the use of tangible fixed assets	-
6.	**Organizational structure**	
6.1	Description of the Group and the issuer's position within the Group	6.4 / 8.1.6
6.2	List of the issuer's significant subsidiaries	5.6

No.	Commission regulation (EC) No 2017/1129 dated June 14, 2017 – Annexes I and II of Delegated regulation (EU) 2019/980 Heading	Universal Registration Document Location in the 2019 Universal Registration Document
7.	**Operating and financial review**	
7.1	Financial position	
7.1.1	Changes in results and financial position including key performance indicators of a financial nature and, where appropriate, non-financial nature	4
7.1.2	Forecasts for future development and research and development activities	1.1.5.3
7.2	Operating results	
7.2.1	Significant factors, unusual, infrequent events or new developments	4
7.2.2	Reasons for significant changes in net sales or revenues	4
8.	**Capital resources**	
8.1.	Capital information	5.6
8.2.	Cash flows	5.4 / 5.6
8.3	Funding needs and funding structure	5.4 / 5.6
8.4	Restrictions on the use of capital resources	5.4 / 5.6
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2	5.4 / 5.6
9.	**Regulatory environment**	
	Description of the regulatory environment and any measures or factors of an administrative, economic, budgetary, monetary, or political nature	1.2.1 / 1.1.4 / 4
10.	**Trends information**	
10.1	Description of major trends and any significant changes in the Group's financial performance since the end of the last financial year	4.1.3 / 4.2
10.2	Events likely to have a material impact on the outlook	4.1.3 / 4.2
11.	**Profit forecasts or estimates**	**4.2**
12.	**Administrative, management and supervisory bodies**	
12.1	Information concerning the members of the administrative, management and supervisory bodies	3.2
12.2	Conflicts of interest at the level of the administrative, management and supervisory bodies and senior management	3.1.2.6
13.	**Remuneration and benefits**	
13.1	Remuneration paid and benefits in kind	3.3.1 and 3.3.2
13.2	Provisions for pensions and retirement benefits	5.6
14.	**Administrative, management and supervisory bodies and senior management**	
14.1.	Date term of office ends	3.1.2.4
14.2.	Service contracts between members of the administrative, management or supervisory bodies and the issuer	3.1.2.6
14.3	Information on the Audit Committee and the Remuneration Committee	3.1.2.5
14.4	Statement of compliance with the corporate governance regime	3.1.1.1
14.5	Potential significant impacts on corporate governance	3.1.2.7

Commission regulation (EC) No 2017/1129 dated June 14, 2017 – Annexes I and II of Delegated regulation (EU) 2019/980		Universal Registration Document
No.	**Heading**	**Location in the 2019 Universal Registration Document**
15.	**Employees**	
15.1.	Number of employees	2.3.2 / 6.4
15.2.	Profit sharing and stock options	3.3.3.2 / 5.6 / 6.4
15.3	Agreement for employees to subscribe to the share capital	3.3.3.4
16.	**Major shareholders**	
16.1.	The name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of such interest or, if not applicable, a statement to this effect	8.3
16.2.	Different voting rights or a statement that this does not apply	8.3
16.3.	Indirect or direct ownership or control of the issuer	8.3
16.4.	Arrangements known to the issuer, the implementation of which could at a later date result in a change of control of the issuer	8.3.3
17.	**Related party transactions**	**5.6**
18.	**Financial information concerning assets and liabilities, financial position and results**	
18.1.	Historical financial information	4.1
18.1.1	Audited historical financial information	5 / 6
18.1.2	Change of accounting reference date	n.a.
18.1.3	Accounting standards	4.1
18.1.4	Change of accounting framework	n.a.
18.1.5	Financial information under French accounting standards	5
18.1.6	Consolidated financial statements	5
18.1.7	Dates of the latest financial information	8.5.2
18.2	Interim and other financial information	n.a.
18.3	Audit of historical annual financial information	5.7 / 6.5
18.3.1	Independent audit of historical annual financial information	5.7 / 6.5
18.3.2	Other audited information	n.a.
18.3.3	Sources of information not audited by the statutory auditors	n.a.
18.4	Pro forma financial information	5.6
18.5	Dividend policy	8.3.2
18.5.1	Description of dividend distribution policy and any applicable restrictions	8.3.2
18.5.2	Amount of dividend per share	Page 18 / 4 / 7 / 8.3.2
18.6	Governmental, legal and arbitration proceedings	1.2.6
18.7	Significant change in financial position	n.a.

Commission regulation (EC) No 2017/1129 dated June 14, 2017 – Annexes I and II of Delegated regulation (EU) 2019/980		Universal Registration Document
No.	**Heading**	**Location in the 2019 Universal Registration Document**
19.	**Additional information**	
19.1	Share capital information	8.2.1
19.1.1	Amount of issued capital	8.2.1
19.1.2	Shares not representing capital	n.a.
19.1.3	Shares in the issuer held by the issuer itself or on its behalf or by its subsidiaries	8.2.3
19.1.4	Convertible or exchangeable securities or securities with warrants	8.2.4
19.1.5	Acquisition rights and/or obligations on the issued capital	n.a.
19.1.6	Amount of capital of any member of the Group which is under option or agreed conditionally or unconditionally to be placed under option	5.2
19.1.7	Historical information of share capital	8.2.2
19.2	Memorandum and Articles of Association	8.1.4
19.2.1	Register and corporate purpose	8.1.3 / 8.1.4
19.2.2	Rights, privileges and restrictions attached to each class of shares	8.1.4
19.2.3	Arrangement having the effect of delaying, deferring or preventing a change of control	8.1.5
20.	**Material contracts**	**n.a.**
21.	**Documents available to the public**	**8.5.1**

CROSS-REFERENCE TABLE TO THE ANNUAL FINANCIAL REPORT

This Registration Document includes all the items in the annual financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code, as well as in Article 222-3 of the AMF General Regulations.

CROSS-REFERENCE TABLES TO THE MANAGEMENT REPORT AND TO THE REPORT ON CORPORATE GOVERNANCE

This Registration Document includes all the items in the Company's management and corporate governance reports required under Articles L.225-100 et seq. of the French Commercial Code.

Information	Location in the Universal Registration Document
POSITION AND ACTIVITIES OF THE COMPANY AND THE GROUP	
Objective and comprehensive analysis of business performance, results and the financial position	4 / 5 / 6
Key events occurring since the financial year-end	5.6
Planned development, opportunities and outlook for the Company and the Group	4.2
Key financial and non-financial performance indicators for the Company and the Group	Pages 18-19
Main risks affecting the Company and the Group	1.2
Internal control and risk management procedures set up by the Company and Group relating to the preparation and processing of accounting and financial information	1.3.3
Financial risks related to the effects of climate change and measures taken by the Company and Group to reduce these	1.2.4
Research and development activities	1.1.5.3
Subsidiaries	8.1.6
LEGAL, FINANCIAL AND TAX INFORMATION	
Shareholder structure	8.3
Name of companies controlled and share of the Company's share capital held by them	5.6
Significant equity investments and cross shareholdings	5.6
Employee share ownership statutes	3.3.3.3
Outcome of share repurchase program	7
Adjustments made to securities giving access to share capital in case of financial operation	7
Adjustments made to securities giving access to share capital and stock-options in case of share repurchase	7
Dividends distributed during the last three financial years	7
Non-deductible expenses and charges	7
Injunctions or fines for anti-corruptive practices	-
Terms of payment and breakdown of the balance of suppliers and customers debt	4.3
Amount of intercompany loans	6.4
Information for companies operating a SEVESO facility (article L.515-8 of the French Environmental Code)	n.a.
Plan of vigilance	n.a.
INFORMATION REQUIRED BY THE CORPORATE GOVERNANCE REPORT	
Principles and criteria governing the determination, split and basis of the fixed, variable and non-recurring components of total compensation and benefits of any kind awarded to the directors and executive officers for their mandate	3.3.1
Total compensation and benefits of any kind paid during the year to each director and executive officer by the Company, the controlled companies or the company that controls it	3.3.1
Commitments related to taking on, terminating, or changing functions	3.3.1 / 3.4
Choice of the Board relating to retention procedures by proxies for shares attributed free of charges and/or shares issued by the exercise of stock-options	3.3.3
List of all offices held and duties performed by the directors and executive officers during the year	3.2
Agreements concluded between a director or executive officer, or a shareholder holding more than 10% of voting rights and a subsidiary	3.4
Summary of the effective delegations granted by shareholders regarding capital increases	8.2.3
Choice made out of the two methods for exercising senior management	3.1.1.3

Information	Location in the Universal Registration Document
Composition of the Board of Directors, and how the Board prepares and organizes its work	3.1.2.4 / 3.1.2.5 / 3.1.4
Diversity policy	3.1.2.2
Limits on the powers of the Chief Executive Officer	3.1.1.3
Reference to a corporate governance code	3.1.1.1
Specific terms of shareholder participation in the Annual General Shareholders' Meeting or provisions of the Articles of Association setting out these terms	n.a.
Information relating to factors liable to affect a public offer	8.1.5
INFORMATION ON HUMAN RESOURCES, THE ENVIRONMENT AND SOCIETY INVOLVEMENT	
Consideration of labour and environmental impact, information on how the Company takes into account the social and environmental consequences of its operations, as well as the effect these operations have on human rights, the fight against corruption and tax evasion, including global warming consequences and use of goods and services, and community commitments in favour of sustainable development, circular economy, food waste prevention efforts, the fight against food insecurity, respect for animal welfare and responsible, fair and sustainable food, the collective agreements entered into by the company and their impact on the Company's economic performance and the working conditions of employees, actions taken to combat discrimination and promote diversity	2
OTHER INFORMATION	
Securities transactions entered into by directors and executives officers, senior managers and related parties during the previous year	3.3.3.7
Payments to governments' report	n.a.
Five-year financial summary	6.6

CROSS-REFERENCE TABLE FOR THE NON-FINANCIAL PERFORMANCE STATEMENT

Information	Location
INFORMATION REQUIRED UNDER ARTICLE R.225-105 OF THE FRENCH COMMERCIAL CODE ON THE NFPS	
Overview of the company’s business model	1.1
Description of the main risks associated with the company’s operations	2.1.2.2
Description of the policies adopted by the company	2.3 / 2.4 / 2.5
Results of the policies, including key performance indicators	2.3 / 2.4 / 2.5
RELEVANT INFORMATION INCLUDED IN THE NFPS UNDER ARTICLES R.225-105 AND L.225-102-1 OF THE FRENCH COMMERCIAL CODE	
HUMAN RESOURCES INFORMATION	
Employment	
Total workforce and breakdown by gender, age and geographical region	2.3.2 / 2.3.5
Hirings and dismissals	2.3.3
Compensation and changes in compensation	2.3.4.4
Work organization	
Organization of working hours	2.3.4.1
Absenteeism	2.3.4.2
Health and safety	
Health and safety conditions at work	2.3.4.2
Workplace accidents, including frequency and severity, as well as occupational illnesses	2.3.4.2
Labor relations	
Organization of social dialogue, particularly procedures for informing, consulting and negotiating with employees	2.3.4.5
Outcome of collective agreements, particularly in terms of health and safety at work	2.3.4.5
Training	
Training policies implemented, particularly in terms of environmental protection	2.3.1.2
Total hours of training	2.3.1.2
Equality in the workplace	
Measures adopted to promote equality between men and women	2.3.5.3
Measures adopted to promote the employment and integration of people with disabilities	2.3.5.1
Anti-discrimination policy	2.3.5.1
ENVIRONMENTAL INDICATORS	
General policy with regard to environmental matters	
Organization of the company toward addressing environmental issues and any environment-related assessment or certification initiatives	2.5.1
Resources devoted to preventing environmental risks and pollution	2.5.1
Amount of provisions and guarantees for environmental risks, unless this information is likely to cause serious prejudice to the company in an ongoing dispute	-
Pollution	
Prevention, reduction or compensation measures for air, water or ground emissions that seriously affect the environment	2.5.2
Consideration of any form of operations-related pollution, particularly nuisance caused by noise or light	2.5.2
Circular economy	**2.5.2.2**
Pollution and waste management	
Measures for the prevention, recycling and reuse of waste and other forms of waste recovery and disposal	2.5.2

Information	Location
Sustainability	
Water consumption and supply on the basis of local constraints	2.5.2.1
Consumption of raw materials and measures taken to use them more efficiently	2.5.2.1
Energy consumption, measures taken to improve energy efficiency and use of renewable energies	2.5.2.1
Climate change	
Significant items associated with the greenhouse gas emissions generated by the company's operations, particularly through use of the goods and services it produces	2.5.3.1
Action taken to adapt to the consequences of climate change	2.5.3.1
Voluntary medium- and long-term targets for reducing greenhouse gas emissions and the measures in place to achieve them	2.5.3.2
SOCIAL INVOLVEMENT	
Societal commitments to sustainable development	
Impact of the company's operations on employment and local development	2.4.9
Impact of the company's operations on local and neighboring communities	2.4.9
Relations with the company's stakeholders and consultation procedures	2.1.4.2 / 2.4.10
Philanthropic or sponsorship initiatives	2.4.9
Subcontracting and suppliers	
Inclusion of social and environmental concerns in the procurement policy	2.4.8
Consideration of the social and environmental responsibility of suppliers and subcontractors in relationships with them	2.4.8
Fair trade practices: action taken to promote consumer health and safety	**2.4.6**
Information on the fight against corruption: action taken to prevent corruption	**2.4.1**
Information on action taken to promote human rights	**2.4.1**
Information on the fight against tax evasion	**2.4.2**

GLOBAL REPORTING INITIATIVE ("GRI") CONTENT INDEX

The GRI reporting principles permit the provision of a high-quality sustainable development report. Each reporting principle consists of a requirement and guidelines on the procedures for applying the principle.

In order to ensure that its quality assurance process meets GRI expectations for the standards, INGENICO Group is working with MATERIALITY-Reporting, the GRI's DATA PARTNER for France, to ensure that the tests set out for each principle are applied.

INGENICO Group has prepared its report in accordance with the GRI standards: essential compliance option.

Gri standard	Disclosure	Description	Location
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
Organization profile			
	102-1	Name of the organization	1.1.1
	102-2	Activities, brands, products and services	1.1.2
	102-3	Location of headquarters	8.1.2
	102-4	Location of operations	8.1.6
	102-5	Ownership and legal form	8.2.1 / 8.1.3
	102-6	Markets served	1.1.3 / 1.1.4
	102-7	Scale of the organization	Pages 18-19
	102-8	Information on employees and other workers	2.3
	102-9	Supply chain	2.4.8
	102-10	Significant changes to the organization and its supply chain	2.4.8
	102-11	Precautionary Principle or approach	2.5.4
	102-12	External initiatives	2.1.1.3
	102-13	Membership of associations	2.5.4
Strategy			
	102-14	Statement from senior decision-maker	Message of the CEO, Pages 7-8
Ethics and integrity			
	102-16	Values, principles, standards and norms of behavior	2.4.1
Governance			
	102-18	Governance structure	2.1.3 / 3.1.1.3
Stakeholder engagement			
	102-40	List of stakeholder groups	2.1.4.1
	102-41	Collective bargaining agreements	2.3.4.5
	102-42	Identifying and selecting stakeholders	2.1.4.1
	102-43	Approach to stakeholder engagement	2.1.4.2 / 2.1.4.3
	102-44	Key topics and concerns raised	2.4.10

Gri standard	Disclosure	Description	Location
Reporting practice			
	102-45	Entities included in the consolidated financial statements	2.2.1
	102-46	Defining report content and topic boundaries	2.2.1
	102-47	List of material topics	2.1.2.2
	102-48	Restatements of information	2.2.1
	102-49	Changes in reporting	2.2.1
	102-50	Reporting period	2.2.1
	102-51	Date of most recent report	2.2.1
	102-52	Reporting cycle	2.2.1
	102-53	Contact point for questions regarding the report	2.1.3
	102-54	Claims of reporting in accordance with the GRI standards	2.2.2
	102-55	GRI content index	Page 318
	102-56	External assurance	2.6
GRI 200-300-400: TOPIC-SPECIFIC DISCLOSURES 2016			
GRI 200 : ECONOMIC STANDARDS			
GRI 103: Management approach-2016	103-1	Explanation of the material topic and its boundary	2.1.2.2
	103-2	Description of the management approach	2.4
	103-3	Evaluation of the management approach	2.1.5
Economic performance			
GRI 201: Economic Performance-2016	201-1	Direct economic value generated and distributed	Pages 18-19 / 5.1
	201-2	Financial implications and other risks and opportunities due to climate change	2.1.1.3
	201-4	Public financial assistance	-
Indirect economic impacts			
GRI 203: Indirect economic impacts - 2016	203-1	Infrastructure investments and services supported	2.4.9
	203-2	Significant indirect economic impacts	2.4.8.1 / 2.4.8.4
Procurement practices			
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	2.4.8.5
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	2.4.1
	205-2	Communication and training about anti-corruption policies and procedures	2.4.1

Gri standard	Disclosure	Description	Location
Taxes			
GRI 207 : Taxes - 2019	207-1	Fiscal Approaches	2.4.2
	207-2	Tax governance and risk control	2.4.2
	207-3	Engaging stakeholders and addressing their concerns	2.4.2
	207-4	Reporting by countries	2.4.2
GRI 300 : ENVIRONMENTAL STANDARDS			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	2.1.2.2
	103-2	Description of the management approach	2.5
	103-3	Evaluation of the management approach	2.1.5
Materials			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	2.5.2.1 / 2.5.2.2
	301-3	Reclaimed products and their packaging materials	2.5.2.2
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	2.5.2.1
	302-4	Reduction of energy consumption	2.5.2.1
	302-5	Reductions in energy requirements of products and services	2.5.2.2
Water			
GRI 303: Water 2016	303-1	Water withdrawal by source	2.5.5
	303-5	Water consumption	2.5.2.1
Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	2.5.3
	305-2	Indirect (Scope 2) GHG emissions	2.5.3
	305-3	Other indirect (Scope 3) GHG emissions	2.5.3
	305-4	GHG emissions intensity	2.5.3.2
	305-5	Reduction of GHG emissions	2.5.3.2
Effluents and waste			
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	2.5.2.1 / 2.5.2.2
Environmental compliance			
GRI 307: compliance with environmental laws and regulations - 2016	307-1	Non-compliance with environmental laws and regulations	2.5.1
Supplier environmental assessment			
GRI 308 - 2016	308-1	New suppliers that were screened using environmental criteria	2.4.8.3
	308-2	Negative environmental impacts in the supply chain	2.4.8.3

Gri standard	Disclosure	Description	Location
GRI 400 : SOCIAL STANDARDS			
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	2.1.2.2
	103-2	Description of the management approach	2.3.1
	103-3	Evaluation of the management approach	2.1.5
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	2.3.2 / 2.3.3
	401-2	Benefits granted to full-time employees and not to temporary or part-time employees	2.3.4 / 2.3.4.3
Employee/Management Relations			
GRI 402: Employee/ Management Relations - 2016	402-1	Minimum notice periods for operational changes	2.3.4.5
Occupational health and safety			
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	2.3.4.2
	403-2	Hazard identification, risk assessment and incident investigation	2.3.4.2
	403-3	Occupational health services	2.3.4.2
	403-4	Worker participation and consultation and communication on health and safety at work	2.3.4.2
	403-5	Worker training on occupational health and safety	2.3.4.2
	403-6	Promotion of worker health	2.3.4.3
	403-7	Prevention and reduction of occupational health and safety impacts directly related to business relationships	2.3.4.2
	403-8	Workers covered by an occupational health and safety management system	2.3.4.2
	403-9	Occupational at work	2.3.4.2
	403-10	Diseases related to an occupational at work	2.3.4.2

Gri standard	Disclosure	Description	Location
Training and education			
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	2.3.1.2
	404-2	Programs for upgrading employee skills and transition assistance programs	2.3.1.2
	404-3	Percentage of employees benefiting from performance and career development reviews	2.3.3.3
Diversity and equal opportunity			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	2.3.5.2
Non-discrimination			
GRI 406: Non-discrimination - 2016	406-1	Incidents of discrimination and corrective actions taken	2.3.5
Freedom of association and collective bargaining			
GRI 407 - 2016	407-1	Operations and suppliers with the right of freedom of association	2.4.8
Child labour			
GRI 409: Child labour- 2016	408-1	Operations and suppliers with a significant child labor risk	2.4.8
Forced or compulsory labour			
GRI 409: Forced or Compulsory Labour - 2016	409-1	Operations and suppliers with a significant risk of forced or compulsory labour	2.4.8
Human rights assessment			
GRI 412: Human rights assessment - 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	2.4.1
	412-2	Training of employees on human rights policies or procedures	2.4.1.1
	412-3	Significant investment agreements and contracts that include human rights clauses or are subject to human rights background checks	2.4.8.3
Local communities			
GRI 413: Local communities 2016	413-1	Operations with local community engagement (impact and programs)	2.4.9
	413-2	Activities generating substantial, actual or potential negative impacts on local communities	2.4.7 /2.4.9

Gri standard	Disclosure	Description	Location
Supplier social assessment			
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	2.4.8.3
	414-2	Negative social impacts in the supply chain and actions taken	2.4.8.3
Customer health and safety			
GRI 416 - 2016	416-1	Assessment of the health and safety impacts of products and services	2.4.6
	416-2	Cases of non-compliance concerning the impacts of products and services on safety and health	2.4.10.2.2
Marketing and labelling			
GRI 417: Marketing and Labelling - 2016	417-1	Product and service information and labelling requirements	2.4.10.1 / 2.4.10.2
	417-2	Cases of non-compliance concerning product and service information and labelling	2.4.10.2.2
Customer privacy			
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4.3 / 2.4.5

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