

# Worldline

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## **2020 HALF-YEAR FINANCIAL REPORT**

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## A. ACTIVITY REPORT

### A.1. Worldline in the first half of 2020

#### February

##### **February 03, 2020: Creation of a new world-class leader in payment services, Worldline to acquire Ingenico**

Worldline SA and Ingenico Group SA announced that their respective Boards of Directors had 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. This transaction would combine two premier companies to create the world's number four player in payment services with circa 20,000 employees in approximately 50 countries with physical presence. Upon closing, the new combined group would offer best-in-class payment services to nearly 1 million merchants and 1,200 financial institutions.

##### **February 19, 2020: Very solid year 2019, all results are well in line with the objectives**

Key financial performances:

- Revenue: €2,382 million, up +6.9% organically
- OMDA: €602 million, 25.3% of revenue, up +240bp on a comparable basis
- Free cash flow: € 288 million, up +38.6%

##### **February 19, 2020: Worldline chosen by Subway as preferred provider of omnichannel payment solutions**

Worldline has been selected to provide state-of-the art payment solutions to Subway restaurants across Europe. Worldline's solution includes POS and E-Commerce acceptance as well as payment terminals operating with the new NEXO retailer protocol. This sets the standards for easy interoperability with all NEXO-compliant cash registers. The roll-out is planned across multiple markets starting in 2020.

##### **February 27, 2020: EquensWorldline partners with UniCredit to manage its payments processing business in Germany and Austria**

EquensWorldline SE, a subsidiary of Worldline signed a long term strategic partnership with UniCredit, a leading financial institution in Europe. Based on this agreement, which represents - following Commerzbank - another major long-term processing contract with a leading Tier-1 Bank, equensWorldline will process all SEPA (Single Euro Payments Area) payments, instant payments, multi-currency, domestic and high value payments for both financial institutions.

#### March

##### **March 09, 2020: Worldline has been awarded "A-" rating for its first participation in the CDP**

Worldline announced that it has obtained an A- rating following its first assessment by the CDP disclosure, which is recognized by the investors as the best reference rating for a company's environmental awareness, governance and leadership to address climate change. As part of this exercise, Worldline reveals its long term Science Based Target (SBT) objectives to reduce CO2 emissions.

#### April

##### **April 08, 2020: Bolt-on acquisition of GoPay, an online payment pure player in Eastern Europe**

Worldline signed an agreement for the acquisition of 53% of GoPay, the leading online collecting payment services provider for small and medium sized businesses (SMB) in the Czech Republic. GoPay's value proposition is based on a quick access to a high quality payment collecting engine fit for the needs of small businesses and offering an extensive range of local payment means.

##### **April 21, 2020: Worldline's YUMI wins prestigious iF Design Award 2020 as payment device of the year**

The Group announced that YUMI, Worldline's game-changing business facilitator for merchants, is a winner of this year's iF DESIGN AWARD, the world-renowned design prize. YUMI achieved a win in the Product discipline, Payment Terminal category.

##### **April 23, 2020: Resilient first quarter 2020 revenue**

Worldline announced its Q1 2020 revenue and an update of its 2020 objectives in relation with COVID-19 context.

## June

### **June 04, 2020: BNP Paribas Fortis has chosen Worldline to set up and operate its omni-channel Contact Service Center**

Worldline has sealed a multi-year contract with BNP Paribas Fortis, a leading financial institution in Belgium and across Europe. Under this agreement, Worldline will set up and operate BNP Paribas Fortis' omni-channel Contact Service Center (CSC) using WL Contact. Operating in SaaS (Software-as-a-Service) mode, this proven contact center solution will handle all customer interaction, regardless of the communication channel they chose.

### **June 09, 2020: Worldline's Annual General Meeting**

Worldline held its Annual General Meeting chaired by Mr. Gilles Grapinet, Chairman and Chief Executive Officer. The meeting was held behind closed doors due to current sanitary constraints and gathered, despite this special context, a quorum of 78.44%. The shareholders overwhelmingly approved the resolutions relating to the contemplated acquisition of Ingenico Group.

### **June 23, 2020: Worldline announced the success of a € 1 billion bonds issuance**

Worldline announced the issuance of fixed rate senior unsecured notes for a total of € 1 billion, in the Euro bond market, in 2 tranches with respective maturities of 3 years and 7 years for the pre-financing of the contemplated acquisition of Ingenico and/or for general corporate purposes.

## July

### **July 08, 2020: Worldline filed its proposed tender offer for Ingenico securities with the Autorité des Marchés Financiers (AMF), Ingenico's board of directors issued a favorable reasoned opinion on the offer**

Worldline and Ingenico announced that they have reached a key milestone in their proposed combination with the filing with the Autorité des Marchés Financiers (AMF) of a draft offer document and a draft reply document, relating to Worldline's tender offer for Ingenico securities with a view to creating the world's fourth largest player in payment services by bringing together approximately 20,000 employees in 50 countries. Upon closing of the transaction, the newly combined group would offer leading payment services to nearly one million merchants and 1,200 financial institutions and would be highly value-creating with significant run-rate synergies of approximately €250 million annually by 2024.

## A.2. Operational review

### A.2.1. Significant events

#### A.2.1.1. Creation of a new world-class leader in payment services: Planned acquisition of Ingenico

Worldline and Ingenico Group SA announced on February 3, 2020 that their respective Boards of Directors had 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.

Upon closing, former Worldline shareholders would own c.65% of the combined entity and former Ingenico shareholders would own c.35% of worldline.

This transaction would combine two premier companies to create the world's number four player in payment services with circa 20,000 employees in approximately 50 countries with physical presence. Upon closing, the new combined group would offer best-in-class payment services to nearly 1 million merchants and 1,200 financial institutions, with estimated pro forma revenue reaching c. € 5.3 billion in 2019, out of which c. € 2.5 billion in merchant payment and transaction-related services. Since the announcement, the transaction has been particularly well received by the customers and the key partners of both groups, highlighting its very compelling industrial and business rationale.

Thanks to the full mobilization of teams on both sides, fast progresses have been made in the overall process of the transaction towards the approvals to be obtained. In particular:

#### Regarding the tender offer:

- On June 9, 2020, the General Meeting approved with a vast majority (99.59%) the issuance of shares as part of the tender offer by the Company on the shares and convertible bonds (OCEANEs) issued by Ingenico.
- On July 8, 2020 Worldline filed its draft offer document relating to Worldline's tender offer for Ingenico securities and Ingenico filed its draft reply document, with the Autorité des marchés financiers (AMF). The tender offer and the draft offer document remain subject to clearance by the AMF, which will assess their compliance with applicable laws and regulations.
- All other regulatory clearances required for the opening of the offer pursuant to banking/financial and foreign investment regulations have already been obtained. The information and/or consultation of employee representative bodies with respect to the acquisition has been completed by Ingenico and Worldline.
- Hence, it is expected that the tender offer will be open imminently
- Once opened, the tender offer will only be subject to the following conditions precedent (Worldline reserves the right to waive the benefit of each of these conditions):
  - clearance under merger control by the European Commission,
  - Worldline acquiring a number of Ingenico shares representing at least 60% of Ingenico's share capital on a fully diluted basis (it being specified that even if Worldline waives such condition, Worldline must meet the legal threshold of 50% of the Ingenico's share capital).

#### Regarding the financing of the offer:

- The bridge financing for the transaction has been signed by a pool of 8 banks for an amount up to € 1.6 billion. That bridge financing will be available up to July 2022.
- In June 23, 2020, Worldline issued fixed rate senior unsecured notes for a total value of € 1 billion, in the Euro bond market, in 2 tranches of €500 million each with respective maturities of 3 years and 7 years. Proceeds will be used for the pre-financing of the contemplated acquisition of Ingenico and/or for general corporate purposes.

#### Regarding preliminary activities to prepare integration:

- These activities are now started, in line with the Worldline Day-1 readiness proven methodology in compliance with applicable antitrust rules, under the supervision of senior management from both groups.
- Thanks to a good cooperation between the teams of both groups and to a timely management of the tender process, transaction costs related to the acquisition of Ingenico remain limited as a percentage of the value of the transaction and are estimated at € 50 million.

For this acquisition, pro forma financial information has been prepared. This information intended to present the expected impact of the acquisition of Ingenico in the event of the successful completion of the Public Offer on the financial position and results of Worldline, as if it had occurred on a date prior to its actual occurrence. This information is available on [investors.worldline.com](https://investors.worldline.com).

For more information, in particular related to the terms of the offer, please refer to the press releases available at [worldline.com](https://worldline.com) in the Investors section.

#### A.2.1.2. Rapid adaptation of Worldline to the COVID-19 context

##### **Business operations**

Pandemic is one of the risks traditionally addressed by the Group Business Continuity Plan. This plan, which was activated as early as February 2020, resulted in a ramp up of the Group's remote working rate as the crisis developed, and in the full compliance with the local regulatory requirements. These measures meet both priority objectives of protecting the health of the Group's employees and ensuring a continuous delivery of the Group's services. During the second quarter, all our employees were fully able to work, from home or on site depending on the local sanitary recommendations.

##### **Commercial activity**

In addition, Worldline's sales force remained in constant dialogue with its customers and in particular supported retailers for their need for click & collect capacity upgrades, offered support to merchants to quickly set up their online business, promoted contactless payments as well as mobile POS systems. Large sales engagements kept progressing as planned as well. As a result, end of June 2020, the level of commercial opportunities is at its all-time high, thereby providing confidence for the mid-term commercial ambitions.

##### **COVID-19 specific actions**

Strong actions to adapt the cost base to COVID-19 consequences were also taken, and among others:

- A freeze on new hirings was put in place;
- Salary increases were postponed;
- Holidays & other measures policy were implemented;
- Key suppliers contracts were adapted;
- Project reviews were conducted, and
- All discretionary expenses, including travel costs, were stopped

The monitoring of merchant risks was also reinforced. In that respect, new members joined Worldline's high quality risk management teams and new tools were implemented.

##### **Gradual business recovery**

In most of our key markets, confinement, store lock-downs and strict distancing measures were implemented in March 2020, and were gradually eased in May and June. This resulted in a progressive recovery of payment transaction volumes throughout the quarter, from the March-end lowest-point of circa -30%+ compared with the same period last year, to June-end with volumes close to June 2019 levels for domestic transactions.

These evolutions are fully in line with the scenario retained by the Group of a very gradual business recovery, as outlined in its April 23, 2020 press release.

## Worldline financing liquidity

In the current COVID-19 context, it is reminded that Worldline enjoys excellent short and long term liquidity position as well as a BBB/stable rating from S&P. None of its debt instrument is subject to covenant close.

In particular, as of June 30, 2020:

- Net indebtedness of the company is limited to € 469 million;
- The gross cash position was € 1 692 million and the Commercial Paper program was used only for a limited amount of € 100 million (out of a maximum available amount of € 600 million);
- The revolving credit facility of €600 million was undrawn and remains today fully available.

In the longer term:

- Long term debt consists in:
  - Two bonds issued in the context of the acquisition of equensWorldline minority interests in 2019, a € 600 million convertible bond maturing in 2026 and a € 500 million bond maturing in 2024;
  - Two bonds issued as part of the pre-financing of the Ingenico planned acquisition for a total of €1 billion euros, as described in section A.2.1.1.

Lastly, regarding the financing of the Ingenico acquisition, in addition to the € 1 billion bond mentioned above, a bridge financing has been signed with a pool of 8 banks, for an amount of up to €1.6 billion available up to July 2022.

### A.2.1.3. Further sale by Atos of c. 13.1% of Worldline share capital on February 4, 2020

On February 4, 2020, Atos has completed the sale of c. 23.9 million Worldline shares, representing c. 13.1% of the Worldline share capital.

Following this operation Atos holds ca. 7.0 million Worldline shares, representing ca. 3.8% of the Worldline share capital, which are underlying the exchangeable bonds. In case of exchange in full of the bonds, Atos would no longer hold any Worldline shares and voting rights.

### A.2.1.4. Very large long-term payment outsourcing contract signed with UniCredit

On February 27, 2020, Worldline announced the signing of a very large long-term strategic partnership with UniCredit, a leading European financial institution. Worldline will be responsible for the processing of all SEPA (Single Euro Payments Area) payments, instant payments, multi-currency, domestic and high value payments transactions for UniCredit in Austria and Germany. This new major outsourcing contract follows the one signed with Commerzbank in 2018 and further demonstrates the relevance of Worldline's payment outsourcing value proposition, not only as a provider but also as a true long-term sparring partner bringing innovation, price competitiveness and guaranteed regulatory compliance. This contract is currently in its initial project phase with an aim to start operation in H2 2020 as planned.

### A.2.1.5. Bolt-on acquisition of GoPay, an online payment pure player in Eastern Europe

On April 8, 2020 Worldline signed an agreement for the acquisition of 53% of GoPay, the leading online collecting payment services provider for small and medium sized businesses (SMB) in the Czech Republic. The price paid for this acquisition corresponds to an acquisition multiple (Enterprise Value to OMDA) below Worldline's current multiple.

Having generated c. €7 million revenue in 2019 and OMDA of c. € 2 million, GoPay currently employs 45 employees and manages online payments for c. 9,000 e-shops in the Czech Republic, with presence in Slovakia and Poland. GoPay's value proposition is based on a quick access to a high quality payment collecting engine fit for the needs of small businesses and offering an extensive range of local payment means.

With this acquisition, Worldline:

- Seizes a rare opportunity to develop its online collecting activity in the fast-growing Eastern Europe market;
- Enhances its local expertise in digital go-to-market; and
- Strengthens its market position in the Czech Republic and its partnership with Komerční Banka.

With its double-digit revenue growth track record and solid profitability, GoPay is expected to contribute to reinforce the financial profile of Worldline's Merchant Services division.

The current owner and manager of GoPay, Pavel Schwarz, will continue to be fully involved in the daily operations of the company and will be instrumental in both product development and in achieving the ambitious business plan and synergies going forward.

The transaction is expected to close during the third quarter of 2020, and Worldline has a right to acquire the remaining shares in 2022.

## A.2.2. Executive Summary

Worldline **first half 2020 revenue** stood at **€ 1,089.2 million**, representing an organic decline limited to **-5.7%** compared to the first half of 2019, in spite of the adverse economic environment linked to the COVID-19 sanitary crisis. Indeed, while revenue for Merchant Services declined by -10.8% due to store lock-downs and confinement measures, the two other Business Lines of the Group proved their resilience, with Mobility & e-Transactional Services declining by -2.8% only and Financial Services succeeding in posting quasi-stable revenues (-0.7%).

By geography, revenue in Germany & Central and Eastern Europe grew by +7.1%, notably thanks to the ramp-up new very large payment outsourcing contracts. Revenue in France was stable (+1%), supported by growing needs of larger retailers for digital retail solutions in the COVID-19 context. Revenue in Belgium limited its decline to -6.3% thanks to the resilience of domestic commercial acquiring. Revenue in all other geographies declined between -10% and -14% due to strong impacts of confinement and store lock-downs on transaction volumes.

The Group's **Operating Margin before Depreciation and Amortization (OMDA)** reached **€ 246.3 million** or **22.6%** of revenue, declining by -170 basis points organically. The impact of the COVID-19 environment on the Group's profitability has been indeed partly mitigated by strong actions taken to adapt the cost base, notably on discretionary and personal expenses, of which more than 50% of the effect is expected to benefit H2 2020.

The backlog at the end of June 2020 remained high and increased to € 4.0 billion.

The total headcount was 12,362 at the end of June 2020 (+4.1% or +485 staff), mainly due to increase in direct workforce of +428 staff, linked to creation of a Global Delivery Center in India by internalizing software developers already working for Worldline as sub-contractors. The proportion of direct employees (90.7%) remained stable. Indirect staff increased slightly by +57 employees as Worldline re-enforced as planned its corporate structures following the carve-out from Atos.

## A.2.3. Statutory to constant scope and exchange rates reconciliation

For the analysis of the Group's performance, revenue and OMDA for H1 2020 are compared with H1 2019 revenue and OMDA at constant scope and foreign exchange rates.

Reconciliation between H1 2019 reported revenue and OMDA and H1 2019 revenue and OMDA at constant scope and foreign exchange rates are presented below (per Global Business Lines).

Exchange rate effects correspond mainly to the appreciation of the Swiss Franc partly offset by the depreciation of the Argentinian Peso.

In € million	Revenue			OMDA		
	H1 2019	Exchange rates effect	H1 2019*	H1 2019	Exchange rates effect	H1 2019*
Merchant Services	535.2	6.7	541.9	119.8	2.7	122.4
Financial Services	444.3	1.7	446.0	144.6	1.1	145.6
Mobility & e-Transactional Services	172.6	-4.9	167.6	24.9	-0.9	24.0
Corporate costs				-10.7	0.0	-10.7
<b>Worldline</b>	<b>1,152.0</b>	<b>3.5</b>	<b>1,155.5</b>	<b>278.5</b>	<b>2.8</b>	<b>281.3</b>

\* at constant scope and exchange rates

The H1 2019 figures presented in this operational review are based on the constant scope and foreign exchange rates data.

## A.2.4. Revenue profile evolution

Following the acquisition of SIX Payment Services end of 2018, Merchant Services is the largest Global Business Line of the Group, representing more than 44% of the total revenue:

<i>In € million</i>	Revenue		
	H1 2020	H1 2019*	% of total
Merchant Services	483.6	541.9	44%
Financial Services	442.7	446.0	41%
Mobility & e-Transactional Services	163.0	167.6	15%
<b>Worldline</b>	<b>1,089.2</b>	<b>1,155.5</b>	<b>100%</b>

\* at constant scope and exchange rates

Europe remained Worldline's main operational base, generating c. 94% of total revenue.

<i>In € million</i>	Revenue		
	H1 2020	H1 2019*	% of total
France	218.9	216.8	20%
Germany and CEE	188.0	175.5	17%
Belgium	174.3	186.0	16%
Luxembourg & Netherlands	160.7	186.2	15%
Switzerland	157.4	178.4	14%
North & South Europe	125.2	139.9	11%
Emerging markets	64.9	72.7	6%
<b>Worldline</b>	<b>1,089.2</b>	<b>1,155.5</b>	<b>100%</b>

\* at constant scope and exchange rates

## A.2.5. Performance by Global Business Line

<i>In € million</i>	Revenue			OMDA			OMDA %		
	H1 2020	H1 2019*	Organic change	H1 2020	H1 2019*	Organic change	H1 2020	H1 2019*	Organic change
Merchant Services	483.6	541.9	-10.8%	103.3	122.4	-15.6%	21.4%	22.6%	-120 bps
Financial Services	442.7	446.0	-0.7%	130.9	145.6	-10.1%	29.6%	32.7%	-310 bps
Mobility & e-Transactional Services	163.0	167.6	-2.8%	23.0	24.0	-4.2%	14.1%	14.3%	-20 bps
Corporate costs				-10.9	-10.7	+2.2%	-1.0%	-0.9%	-10 bps
<b>Worldline</b>	<b>1,089.2</b>	<b>1,155.5</b>	<b>-5.7%</b>	<b>246.3</b>	<b>281.3</b>	<b>-12.5%</b>	<b>22.6%</b>	<b>24.3%</b>	<b>-170 bps</b>

\* at constant scope and exchange rates

### A.2.5.1. Merchant Services

In € million	Merchant Services		
	H1 2020	H1 2019*	Organic change
Revenue	483.6	541.9	-10.8%
OMDA	103.3	122.4	
OMDA %	21.4%	22.6%	-120 bps

\* at constant scope and exchange rates

Merchant Services' **revenue** for the first semester of 2020 reached **€ 483.6 million**, decreasing organically by €-58.3 million or **-10.8%** compared to same period last year

After a solid growth recorded in January and February, Merchant Services business was impacted by confinement measures and store lock-down imposed to non-essential retail in the context of the COVID-19 pandemic, starting in March in most of our markets. As a consequence, number of transactions acquired dropped by more than 30% at the start of the confinement. With the gradual ease of these restrictions in the course of the second quarter, and the wider adoption of electronic payments, overall number of acquiring transactions increased progressively during the second quarter and was close to 2019 levels by end of June. Overall for the whole semester, number of payment transactions acquired decreased by a low-single-digit, resulting from a mid-single-digit decrease for face to face transactions and a double-digit volume growth in online acquiring transactions.

- In this context, **Commercial Acquiring** revenue decreased double-digit, impacted by lower acquiring volumes, as well as by lower average transaction value resulting on one side from the rise of low value electronic payment encouraged by higher contactless payment limits, and on the other side from less high value transactions, notably from tourism related activities (travel, hospitality, dynamic currency conversion services). Revenue was also impacted by a larger proportion of payments made on local card debit schemes and conversely by lower credit card transactions processed on international payment schemes.
- **Online Payment acceptance** revenue was impacted on one-side by a sharp reduction of online transactions in verticals such as transport and hospitality and on the other side by the increase in online entertainment and click & collect / home delivery type of transactions. Overall, revenue decline was therefore limited to a mid-single-digit for the semester.
- Revenue in **Merchant Digital Services** declined mid-single-digit as well, resulting primarily from fewer transactions from private labeled cards (fuel cards and hotel chain cards mainly), nonetheless mitigated by a good growth in Digital Retail fueled by higher demand for click & collect types of solutions, notably from French retailers.
- Lastly, revenue in **Payment Terminals** showed resilience with almost stable revenue, benefiting from merchant's demand for additional units and portable devices used for home deliveries, and from good market demand notably for the VALINA unattended payment terminal.

Merchant Services' **OMDA** was **€ 103.3 million** in H1 2020, or 21.4% of revenue, decreasing organically by **-120 basis points** during the first semester. Indeed, while the severe impact of COVID-19 on the revenue of the Business Line impacted strongly profitability, Merchant Services was able to limit the impact of this extraordinary revenue decrease through:

- Specific and operational cost control actions, notably on personal costs and discretionary expenses (e.g. marketing and communication);
- Incremental synergies resulting from the second year of the SIX Payment Services integration program; and
- The impacts of transversal productivity improvement actions.

### A.2.5.2. Financial services

In € million	Financial Services		
	H1 2020	H1 2019*	Organic change
Revenue	442.7	446.0	-0.7%
OMDA	130.9	145.6	
OMDA %	29.6%	32.7%	-310 bps

\* at constant scope and exchange rates

Financial Services **revenue** was nearly stable over the period, reaching **€ 442.7 million**, slightly decreasing organically by **-0.7%** or €-3.3 million. In the extraordinary COVID-19 context, the Business Line showed, as expected, an overall resilience thanks to recurring payment flows (such as for payment of rent, utilities, etc.), newly signed large outsourcing contracts and ongoing project activity with banks and financial institutions.

Specifically, **Account Payments** revenue was quasi not affected by COVID-19 and recorded a solid double-digit growth rate, primarily fueled by:

- Higher account-based payment transactions (+6%); and
- The ramp-up of large contracts such as Commerzbank and the newly announced large long-term payment outsourcing contract with UniCredit in Germany and Austria.

**Digital Services** grew double-digit as well, fueled by an increase in strong authentication transactions required notably for e-commerce (+44% altogether for ACS, Trusted Authentication and wallet transactions) and by higher volumes processed on Worldline's e-brokerage platform.

Those strong growth performances were nonetheless offset by the high single-digit revenue decrease recorded in card-based payments (issuing processing and acquiring processing altogether):

- Revenue in **Issuing Processing** was impacted by lower card issuing transaction volumes and less projects;
- **Acquiring Processing** remained as expected the division the most impacted by the COVID-19 context. Indeed, the number of transactions processed for local acquirers in The Netherlands, France, Switzerland, Italy, Belgium and to a lesser extent in the Baltics, decreased sharply as from March. The division also suffered from less cash withdrawal transactions at ATMs.

Financial Services' **OMDA** remained high and reached **€ 130.9 million**, or 29.6% of revenue, decreasing nonetheless by **-310 basis points** organically compared to the first semester of 2019. Being the Business Line with the highest proportion of fixed costs, the division was the most affected by volume decrease, particularly in the card payments divisions. In addition, significant investments were made for the ramp-up phase of recently signed large contracts. In order to mitigate these effects, strong measures were taken in terms of cost base monitoring and workforce management. The positive effect of these measures is expected to continue and to increase in the course of the second semester 2020.

### A.2.5.3. Mobility & e-Transactional Services

In € million	Mobility & e-Transactional Services		
	H1 2020	H1 2019*	Organic change
Revenue	163.0	167.6	-2.8%
OMDA	23.0	24.0	
OMDA %	14.1%	14.3%	-20 bps

\* at constant scope and exchange rates

**Revenue** in Mobility & e-Transactional Services reached **€ 163.0 million**, decreasing organically by €-4.7 million or **-2.8%** compared to last year, with contrasted evolution between each of its 3 divisions.

- **e-Consumer & Mobility** activities showed resilience in the COVID-19 context, and revenue grew at a low single-digit rate during the semester, thanks to good volumes on the WL Contact platform as well as a strong growth in Germany for secured e-Health cryptographic solutions;
- Revenue in **Trusted Digitization** remained stable;
- Despite the ramp-up of the new Tap2Use contract for the Lyon region, **e-Ticketing** revenue declined double-digit, suffering from the quasi complete stop of public transport networks and associated ticketing volumes in the United Kingdom and LATAM, due to the COVID-19 sanitary context.

Mobility & e-Transactional Services **OMDA** reached € 23.0 million or 14.1% of revenue. Despite negative business trends in e-Ticketing, profitability decrease was limited to €-1.0 million or -20 basis points compared to last year thanks to the COVID-19 cost optimization plan addressing fixed and variable costs as well as productivity improvements reached through more scalable platforms and tighter workforce management.

### A.2.5.4. Corporate costs

Corporate costs were nearly stable, increasing by € 0.2 million while absorbing the costs linked to the carve-out from Atos (replacement of the corporate services provided by Atos with own resources).

## A.2.6. Revenue performance per geography

In € million	Revenue			
	H1 2020	H1 2019*	Organic change	Organic change %
France	218.9	216.8	2.1	1.0%
Germany and CEE	188.0	175.5	12.5	7.1%
Belgium	174.3	186.0	-11.7	-6.3%
Luxembourg & Netherlands	160.7	186.2	-25.5	-13.7%
Switzerland	157.4	178.4	-21.0	-11.8%
North & South Europe	125.2	139.9	-14.8	-10.6%
Emerging markets	64.9	72.7	-7.8	-10.7%
<b>Worldline</b>	<b>1,089.2</b>	<b>1,155.5</b>	<b>-66.3</b>	<b>-5.7%</b>

\* at constant scope and exchange rates

Revenue in **France** grew by **+1.0%** organically, driven by Merchant Services, where more Digital Retail services were delivered to large retailers in the COVID-19 context, and by Mobility & e-Transactional services (ramp-up of the Tap2Use project for the Lyon region and stronger volumes recorded on WL Contact platforms). These good performances were nonetheless partly offset by a slight revenue decrease in Financial Services.

A strong **+7.1%** organic growth was recorded in **Germany & Central and Eastern Europe**, driven by the Account Payments division, benefitting from volume growth and ramp-up of the recently signed Commerzbank and Unicredit large contracts.

Revenue declined by **-6.3%** organically in **Belgium**, mainly due to a strong decline in Financial Services (Issuing and Acquiring Processing), while revenue in Merchant Services was limited to a low single-digit thanks to the resilience of Commercial Acquiring.

In **Luxemburg & Netherlands** (**-13.7%** organically), revenue was strongly impacted by the drop of Commercial Acquiring transactions during the second quarter. Financial Services was more resilient, succeeding in limiting revenue decrease to a low single digit.

Organic revenue decline in **Switzerland** (**-11.8%**) is primarily the consequence of confinement and store lock-down measures, strongly impacting Commercial Acquiring.

Revenue in **North & South Europe** declined organically by **-10.6%**, as Private Label Cards and e-Ticketing activities in were strongly impacted in the United Kingdom by the COVID-19 situation.

Lastly, revenue in **Emerging Markets** decreased organically by **-10.7%**, mainly due to slower Merchant Services business in India due to the COVID-19 context.

## A.2.7. Commercial activity

During the second quarter, and despite the COVID-19 situation, Worldline sales teams remained very active and in constant dialogue with their customers, which led to the signature of a number of new contracts and to the renewal on time of key payment processing contracts.

### A.2.7.1. Main achievements and contract signatures of the period

#### Merchant Services

Further to the signature of the Subway pan-European contract announced in February, new signings in Merchant services included in particular:

- A framework agreement signed with the luxury group Kering, for which Worldline will provide commercial acquiring and value-added services for a large number of brands in several European countries;
- A pan-European gateway and acquiring contract with the online musical instrument retailer Gear4music; and
- A new 3 year contract signed with a Finnish high tech company for e-payment acceptance and acquiring across multiple countries

All these contracts constitute further evidence of the relevance of Worldline's omni-channel payment processing offers for global or digital merchants.

All along the quarter, Worldline stood alongside its customers to help them sell during the confinement and lock downs, and as an example, a secured remote order and payment system was set up in a record time for a designer brand, for its 12 stores located in seven European countries.

In addition, several significant contracts were renewed:

- In omni-channel payment solution, with Aspro Park, a major European operator of leisure parks;
- For e-Payment acceptance with a leading ticketing website (Ticketnet);
- In Private Label Card and Loyalty Programs, for Repsol (fuel card services) and Iberia (frequent flyer solution).

On the payment terminal side, good progress has been made in the certification process of Worldline's unattended payment terminal VALINA, as the terminal is now certified for the Swiss market, where a significant contract was received from a provider of charging stations for electric cars, and in pilot phase in Poland and in Germany. Also, a first order was received from a Malaysian reseller.

Lastly, regarding innovative offers and acceptance of new payment methods:

- Worldline, in partnership with Axis Bank and MasterCard India, launched "Soft POS", a new solution enabling the smartphone to be used as POS devices in India. This new offer addresses the increasing need of small businesses, especially in the COVID-19 context, for an easy to implement card payment solution;
- Worldline launched its "Pay-By-Link" solution enabling merchants to implement personalized, fast and easy omni-channel payment;
- A partnership was signed with Silkpay (fintech company connecting European retailers to Chinese tourists) notably for the acceptance of Alipay and Wechatpay and acquiring of Asian credit cards (Union Pay, JCB).

## Financial Services

Aside from the very large new outsourcing contract signed with UniCredit (detailed in Section A.2.1.2), commercial activity in Financial Services was very active. In particular:

- Worldline has signed through Brinks a large ATM transaction management contract for BPCE, pursuant to which the Group will manage approximately 300 million transactions per year from circa 11,000 ATM over 10 years. This new contract perfectly illustrates Worldline's strategy to expand in the ATM transaction management market, which is currently being consolidated or outsourced in Europe to a limited number of providers
- Volksbank renewed its iDEAL contract with equensWorldline, which was extended with PSD2 TPP services, enabling the bank to offer Payment Initiation Services (PIS) and Account Information Services (AIS) to its customers; and
- Worldline was chosen by the Central bank of Curacao & Saint-Martin to switch to instant Payments, further demonstrating the Group's expertise in instant payments.

Several other contracts were renewed during the semester, in particular for issuing processing services with a very large Dutch bank and 3D Secured Authentication with a very large French bank.

Lastly, in the current COVID-19 context, demand for secured remote payment grew significantly, and as a consequence, Worldline recorded an all-time high number of strong authentication's transaction volumes in June, more than doubling the number transactions recorded on WL Trusted Authentication platform in June last year.

Commercial perspectives in Financial Services remain strong, notably for card processing and ATM transaction management outsourcing contracts, for which progress has been made during the second quarter towards a signature in the second semester.

## Mobility & e-Transactional Services

In eTicketing, Worldline has been selected by SYTRAL, Lyon's region public transport authority, to implement its "Tap 2 Use" solution, enabling travellers to buy and validate their journey just using their EMV cards. That solution, which includes validators, ticketing back office and payment acceptance, further confirms Worldline's leadership in deploying Open Payment solutions for public transport operators. In addition, Worldline has renewed its contract with two rail franchises in the United Kingdom to provide rail operations and passenger information services.

Also, during the peak of the COVID-19 sanitary crisis, Worldline stood along-side governments and public agencies and fully mobilized its expertise in secured real-time regulated transaction management for new projects in the health sector. In particular:

- Worldline provided a secure application that enabled the identification and tracing of COVID-19 patients in hospitals in France;
- Maela, a highly secured data hosting solution, enabled the deployment of a digital healthcare solution for dozens of hospitals in France, and for the ministry of health of Luxembourg;
- Worldline has signed new contracts with German health insurance companies to implement secured solutions connecting customers and specific health applications, such as electronic patient files, to the German Health Telematic Infrastructure.

### A.2.7.2. Backlog

Backlog reached its historical highest value on June 30, 2020 and reached € 4.0 billion.

## A.2.8. Human resources

The total headcount was 12,362 at the end of June 2020, compared to 11,877 at the beginning of 2020. The increase of +4.1% (or +485 staff) of the Group total workforce was mainly due to the net increase in direct workforce of +428 staff, linked to creation of a Global Delivery Center in India by internalizing Software developers already working for Worldline as sub-contractors.

The number of direct employees at the end of June 2020 was 11,207, representing 90.7% of the total Group headcount. That proportion remained stable. Indirect staff was 1155, a small increase since the beginning of the year (+57 employees) to compensate the loss of indirect support functions after the carve-out of Atos.

Headcount	Opening Jan-20	Scope effects	Hiring	Leavers	Dismiss / Restruc	Other	Closing June-20	Changes	%
France	3,234		+62	-61	-2	-32	3,201	-33	-1.0%
Luxembourg & Netherlands	1,175		+70	-38		-19	1,188	+13	+1.1%
Belgium	1,122		+61	-28		-17	1,138	+16	+1.4%
Germany and CEE	1,445		+93	-60		-4	1,474	+29	+2.0%
Switzerland	547		+37	-21		+27	590	+43	+7.9%
Emerging markets	1,594	+388	+491	-144		-386	1,943	+349	+21.9%
North & South Europe	1,662		+131	-55	-31	+0	1,707	+45	+2.7%
Direct	10,779	+388	+945	-407	-33	-431	11,241	+462	+4.3%
Indirect	1,098		+97	-30	-1	-43	1,121	+23	+2.1%
Total (D+I)	11,877	+388	+1042	-437	-34	-474	12,362	+485	+4.1%

### A.3. 2020 objectives

As the 2020 objectives disclosed on February 3, 2020 were pre Covid-19 effect, the Group has updated on April 23rd, 2020 its three objectives for the full year 2020, consistently with the macro-economic and sanitary scenario described below.

Consequences of the COVID-19 pandemic are expected to last for the whole year 2020, due to exceptional social and economic restriction measures taken by governments in most of the Group's key markets. In this context, the Group has retained the following scenario for its analysis:

- **During Q2, activities remained severely restricted:** Lock down of non-essential retail and strict confinement and/or social distancing measures maintained during most of the quarter;
- **During H2 2020, the scenario is based on a very gradual lift of government constraints:** General “non-essential” retail re-opening and increase of domestic payment flows allowing a progressive business recovery, while very limited international travel, tourism and related businesses are anticipated. Postponement of all key conventions and events (sporting, corporate, festivals, concerts & leisure, etc.) to 2021

#### Revenue

The Group expects its 2020 full year revenue to be flat or decreasing by a low single digit compared with 2019 at constant scope and foreign exchange rates.

#### OMDA

The Group expects a 2020 full year OMDA percentage at constant scope and foreign exchange rates around 25%, circa the same percentage than 2019.

#### Free cash flow

The Group targets circa the same cash conversion percentage (free cash flow divided by OMDA) than in 2019<sup>1</sup>.

*These objectives are expressed at constant exchange rates. They rely also on the absence of change in scope and of significant change in accounting standards.*

*These objectives have been built on a comparable basis versus historical financial information, and according to Group's accounting standards.*

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<sup>1</sup> Excluding Ingenico transaction acquisition costs.

## B. FINANCIAL REVIEW

In this financial review, the financial statements as of and for the period ended June 2020 are compared with the consolidated financial statements as issued for the similar period in 2019.

### B.1. Income statement

The Group reported a net income (attributable to owners of the parent) of € 53.0 million for the half year 2020 which represented 4.9 % of Group revenue of the period. The normalized net income before unusual and infrequent items (net of tax) was € 114.7 million, representing 10.5% of revenue.

#### B.1.1. Operating margin before depreciation and amortization (OMDA)

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

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019	Variation
<b>Operating margin</b>	<b>165.3</b>	<b>196.9</b>	<b>-31.6</b>
+ Depreciation of fixed assets	75.4	70.1	5.3
+ Net book value of assets sold/written off	1.4	1.4	0.0
+/- Net charge/(release) of pension provisions	4.1	6.5	-2.4
+/- Net charge/(release) of provisions	0.2	3.6	-3.5
<b>OMDA</b>	<b>246.3</b>	<b>278.5</b>	<b>-32.2</b>

#### B.1.2. Operating Margin

(In € million)	6 months ended 30 June 2020	% Margin	6 months ended 30 June 2019	% Margin
<b>Operating margin</b>	<b>165.3</b>	<b>15.2%</b>	<b>196.9</b>	<b>17.1%</b>
Other operating income/(expenses)	-83.5		-71.1	
<b>Operating income</b>	<b>81.8</b>	<b>7.5%</b>	<b>125.8</b>	<b>10.9%</b>
Net financial income/(expenses)	-12.5		82.9	
Tax charge	-16.4		-49.5	
Non-controlling interests and associates			-17.7	
<b>Net income – Attributable to owners of the parent</b>	<b>53.0</b>	<b>4.9%</b>	<b>141.5</b>	<b>12.3%</b>
<b>Normalized net income – Attributable to owners of the parent *</b>	<b>114.7</b>	<b>10.5%</b>	<b>120.2</b>	<b>10.4%</b>

\* Defined hereafter Note B.1.7.

#### B.1.3. Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net expense of € 83.5 million for the six-month period ended June 2020. The following table presents this amount by nature:

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019
Staff reorganization	-1.5	-1.3
Rationalization and associated costs	-0.4	-1.9
Integration and acquisition costs	-31.9	-17.3
Equity based compensation & associated costs	-12.2	-9.3
Customer relationships and patents amortization	-36.6	-37.0
Other items	-0.8	-4.3
<b>Total</b>	<b>-83.5</b>	<b>-71.1</b>

**Staff reorganization** expenses of € 1.5 million increased by € 0.2 million compared to last year and correspond mainly to the restructuring costs induced by the recent acquisitions.

The € 0.4 million of **rationalization and associated costs** resulted mainly in administrative back office transformation. Those costs have decreased by € 1.5 million compared to the first half of 2019.

**Integration and acquisition costs** reached € 31.9 million, an increase of € 14.6 million compared to the prior period, and corresponded mainly to Six Payment Services post-acquisition and integration costs and to the costs related to the contemplated acquisition of Ingenico.

The six-month 2020 **amortization of customer relationships and patents (PPA from acquisitions)** of € 36.6 million corresponds mainly to:

- € 28.2 million of SIX Payment Services customer relationships, technologies and patents;
- € 3.8 million of Equens and Paysquare customer relationships;
- € 1.1 million of MRL Posnet customer relationships and technologies;
- € 1.1 million of Cataps (KB Smartpay) customer relationships.

#### **B.1.4. Net financial income**

Net financial expense amounted to € 12.5 million for the period (compared to an income of € 82.9 million at the end of June 2019) and was made up of:

- A net cost of financial debt of € 5.6 million (€ 0.4 million at the end of June 2019); and
- A non-operational financial expense of € 6.9 million (profit of € 83.4 million at the end of June 2019).

The net cost of financial debt of € 5.6 million is mainly made up of interests linked to convertible bonds for € 3.1 million and straight bonds for € 1 million.

The non-operational financial expense was mainly composed of:

- Foreign exchange losses for € 5.2 million (€ 0.7 million at the end of June 2019);
- The recognition in the consolidated income statement of the variation of the fair value of the Visa preferred shares for a profit of € 2.9 million (€ 16.8 million at end of June 2019);
- Financial interests on lease liability (IFRS 16) for € 1.9 million (€ 1.7 million at end of June 2019);
- Impairment on Participating Interests in TWINT for € 1.9 million; and
- Pension financial costs for € 0.8 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded.

In the first semester 2019 the non-operational financial expenses were mainly composed of the recognition of the fair value adjustment of the contingent liability linked to the acquisition of SIX Payment Services representing an expense of € 70.0 million and the variation of the fair value of the Visa preferred shares for a profit of € 16.8 million.

#### **B.1.5. Corporate tax**

The tax charge for the six-month period ended June 30, 2020 was € 16.4 million with a profit before tax of € 69.3 million. The annualized Effective Tax Rate (ETR) of 23.4% adjusted for tax discrete items leads to an ETR of 23.6% to compare with an ETR of 23.7% for the first semester of 2019.

#### **B.1.6. Non-controlling interests and associates**

The non-controlling interests and associates at the end of June 2020 were nil compared to € 17.7 million at the end of June 2019. At that time it represented 36.4% of the net result of equensWorldline.

### B.1.7. Normalized net income

The normalized net income is defined as net income excluding unusual and infrequent items (Group share), net of tax. For H1 2020, the amount was € 114.7 million.

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019
<b>Net income - Attributable to owners of the parent</b>	<b>53.0</b>	<b>141.5</b>
Fair value adjustment of the contingent liability linked to the acquisition of Six Payment Services		-70.0
Other operating income and expenses (Group share)	83.5	67.1
Tax impact on unusual items	-21.8	-18.5
<b>Normalized net income - Attributable to owners of the parent</b>	<b>114.7</b>	<b>120.2</b>

### B.1.8. Half year Earning Per Share

The number of shares as at January 1, 2020 was 182,764,457. The weighted average number of shares amounts to 182,486,386 for the period. Potential dilutive instruments comprise stock options, which do not generate any restatement of net income used for the diluted EPS calculation and convertible bonds interest expenses net of tax for € 2.1 million. As of end of June 2020, potential dilutive instruments comprised stock options for 871,567 options and convertible bonds effect for 5,813,953 options.

(In € million)	6 months ended 30 June 2020	% Margin	6 months ended 30 June 2019	% Margin
<b>Net income [a]</b>	<b>53.0</b>	<b>4.9%</b>	<b>141.5</b>	<b>12.3%</b>
Impact of dilutive instruments	2.1		0.0	
<b>Net income restated of dilutive instruments [b]</b>	<b>55.0</b>	<b>5.1%</b>	<b>141.5</b>	<b>12.3%</b>
<b>Normalized net income [c]</b>	<b>114.7</b>	<b>10.5%</b>	<b>120.2</b>	<b>10.4%</b>
<b>Normalized diluted net income [d]</b>	<b>116.8</b>	<b>10.7%</b>	<b>120.2</b>	<b>10.4%</b>
Average number of shares [e]	182,486,386		182,599,810	
Impact of dilutive instruments [f]	6,685,520		910,782	
Diluted average number of shares [g]	189,171,907		183,510,592	
(In EUR)				
<b>Basic EPS [a] / [e]</b>	<b>0.29</b>		<b>0.78</b>	
<b>Diluted EPS [b] / [g]</b>	<b>0.29</b>		<b>0.77</b>	
<b>Normalized basic EPS [c] / [e]</b>	<b>0.63</b>		<b>0.66</b>	
<b>Normalized diluted EPS [d] / [g]</b>	<b>0.62</b>		<b>0.66</b>	

## B.2. Cash Flow

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>246.3</b>	<b>278.5</b>
Capital expenditures	-64.8	-46.9
Lease expenditure (Lease under IFRS16)	-19.5	-18.5
Change in working capital requirement	27.5	-30.4
<b>Cash from operations</b>	<b>189.4</b>	<b>182.7</b>
Taxes paid	-14.1	-19.6
Net cost of financial debt paid	-2.0	-0.6
Reorganization in other operating income	-1.9	-2.5
Rationalization & associated costs in other operating income	-0.7	-1.9
Integration and acquisition costs	-22.9	-17.6
Net Long term financial investments	-2.1	11.0
Other changes (*)	-14.0	-6.1
<b>Free Cash Flow</b>	<b>131.7</b>	<b>145.5</b>
Net material acquisitions	49.3	-21.0
Contingent liability at fair value	0.0	70.0
Capital increase	3.3	8.0
Amortization of interests on convertible bonds	-3.1	0.0
Dividends	0.0	0.7
<b>Change in net cash/(debt)</b>	<b>181.1</b>	<b>203.2</b>
<b>Opening net cash/(debt)</b>	<b>-641.3</b>	<b>-35.0</b>
Change in net cash/(debt)	181.1	203.2
Foreign exchange rate fluctuation on net cash/(debt)	-8.9	0.4
Excl. of former Fin.lease (post IFRS16 effect)	0.0	3.2
<b>Closing net cash/(debt)</b>	<b>-469.1</b>	<b>171.7</b>

(\*) "Other changes" include other operating income and expense with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals

**Free cash flow** represented by the change in net cash or net debt, excluding equity changes (notably cash received from the exercise of stock options), dividends paid, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, reached € 131.7 million compared to € 145.5 million in 2019 corresponding to a decrease of -9.5%.

**Cash From Operations** amounted to € 189.4 million and increased by € 6.7 million compared to last year, including the following items:

- OMDA decrease (€ -32.3 million);
- Higher capital expenditures (€ -17.9 million);
- Lease expenditure (€ -1.0 million);
- Improvement in change in working capital requirement (€+ 57.9 million).

**OMDA** of € 246.3 million, representing a decrease of € - 32.3 million compared to June 2019, reached 22.6% of revenue versus 24.3% of revenue in June 2019.

**Capital expenditures** amounted to € 64.8 million or 5.9% of revenue (4.8% for the full year 2019). They mainly relate to investments in software platforms through capitalized cost, in connection with the modernization of proprietary technological platforms for € 23.8 million.

The positive **change in working capital requirement** was € 27.5 million. The DSO ratio reached 40 days at the end of June 2020 (38 days in June 2019), while the DPO was 93 days (90 days in June 2019). The Group may factor part of its account receivables in the normal course of its day to day treasury management. Amount of receivables factored as at June 30, 2020 is non-significant.

Cash out related to **taxes paid** reached € 14.1 million decreasing by € 5.5 million compared to June 2019.

Net outflow related to **cost of net debt** of € 2.0 million increased by 1.4 million compared with the first semester 2019 due to the new bonds contracted during the second semester of last year.

Cash outflow linked to **reorganization costs** and **rationalization costs** represented respectively € 1.9 million and € 0.7 million.

**Integration costs** of € 22.9 million included a large part of costs linked to the acquisition of SIX Payment Services and cost related to post acquisition integrations.

**Net financial investments** amounted to € 2.1 million. In June 2019 it included in particular collection related to Visa receivable for € 11.5 million.

**Other changes** of € -14.0 million corresponded mainly to € -8.8 million of other items of Other operating income and expenses and € -5.2 million of other financial cost.

As a result, the **Free Cash Flow (FCF)** generated in the first semester 2020 was € 131.7 million.

The **Net material acquisitions** of € 49.3 million represented mainly collection of the price adjustment linked to the acquisitions of SIX Payment Services in June 2020.

In June 2020, the € 3.3 million **Capital increase** corresponded to the issuance of common stock following employee's exercise of stock options.

The **amortization of interests on convertible bonds** was € 3.1 million in the first semester 2020.

**Foreign exchange rate fluctuation** which is determined on debt or cash exposure by country had a negative impact on net cash of € 8.9 million.

## B.3. Financing policy

### Financing structure

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

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

Under the terms of the initial agreement, the Facility included one financial covenant, which was the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) that should not be greater than 2.5 times. In December 2019, the cancellation of the financial covenant was obtained and the Facility does not include any more this financial covenant.

The Facility has been arranged by a syndicate of 13 international banks. The Facility will be available for general corporate purpose. At the end of June 2020, the Facility is not used.

Furthermore, Worldline has issued a "Negotiable European Commercial Papers" program (NEU CP) on April 12th, 2019 to optimize its financial charges and improve Group's cash for a maximum initial amount of € 600 million. At the end of June 2020, the outstanding amount of the program was € 100 million.

In addition Worldline has issued on July 30, 2019 interest-free bonds convertible into new shares and/or exchangeable for existing shares of Worldline for an amount of € 600 million maturing on July 30, 2026, unless the bonds have been subject to early redemption, conversion or purchase and cancellation. Worldline has issued subsequently, on September 18, 2019, bonds for an amount of € 500 million. Such bonds are to mature on September 18, 2024 and produce interest of 0.25% per year on the outstanding principal amount. These two bonds have financed the acquisition of the 36.4% minority stake of EquensWorldline, which has been paid entirely in cash during September 2019.

On June 23, 2020, under a € 4 billion EMTN (Euro Medium Term Note) listed in Luxembourg and signed on June 22, 2020, Worldline completed two bonds issuances for an amount of € 500 million each. The first bond issue is to mature on June 30, 2023 and produces interest of 0.50% on the outstanding principal amount. The second bond issue is to mature on June 30, 2027 and produces interest of 0.875% on the outstanding principal amount. The proceeds of the two bonds issuances will be used for the pre-financing of the contemplated acquisition of Ingenico and/or for general corporate purposes. The bonds are rated BBB by S&P Global Ratings, in line with the corporate credit rating of the Company, and the terms and conditions reflect standard Investment Grade documentation. The bonds are listed on the Luxembourg Stock Exchange.

On March 30, 2020, in the context of the financing of the cash component of the contemplated acquisition of Ingenico, Worldline entered into a mandate letter with 8 international banks. The mandate letter provides the terms and conditions under which these banks commit to enter, upon Worldline's request, into a Term Facility Agreement for an amount of € 1.6 billion with a one-year maturity period (with options for extension). A draft of the Term Facility Agreement was appended to the mandate letter.

### Investment grade rating

On September 4, 2019, Standard & Poor's Global has assigned an "investment grade" BBB issuer credit rating to Worldline, with a stable outlook. This rating was affirmed on February 3, 2020 in the context of the planned acquisition of Ingenico.

### Investment policy

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

## C. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### C.1. Interim condensed consolidated income statement

(In € million)		6 months ended 30 June 2020	6 months ended 30 June 2019
<b>Revenue</b>	Note 3	<b>1,089.2</b>	<b>1,152.0</b>
Personnel expenses	Note 4	-430.2	-436.2
Operating expenses	Note 5	-493.8	-518.9
<b>Operating margin</b>		<b>165.3</b>	<b>196.9</b>
<b>% of revenue</b>		<b>15.2%</b>	<b>17.1%</b>
Other operating income and expenses	Note 6	-83.5	-71.1
<b>Operating income</b>		<b>81.8</b>	<b>125.8</b>
<b>% of revenue</b>		<b>7.5%</b>	<b>10.9%</b>
Financial expenses		-18.5	-4.2
Financial income		6.1	87.1
<b>Net financial expenses</b>	Note 7	<b>-12.5</b>	<b>82.9</b>
<b>Net income before tax</b>		<b>69.3</b>	<b>208.7</b>
Tax charge	Note 8	-16.4	-49.5
<b>Net income</b>		<b>53.0</b>	<b>159.3</b>
Of which:			
- <b>attributable to owners of the parent</b>		<b>53.0</b>	<b>141.5</b>
- non-controlling interests		0.0	17.7
Weighted average number of shares		182,486,386	182,599,810.0
<b>Basic earnings per share</b>	Note 9	<b>0.29</b>	<b>0.78</b>
Diluted weighted average number of shares		189,171,907	183,510,591.9
<b>Diluted earnings per share</b>	Note 9	<b>0.29</b>	<b>0.77</b>

### C.2. Interim condensed consolidated statement of comprehensive income

(In € million)		6 months ended 30 June 2020	6 months ended 30 June 2019
<b>Net income</b>		<b>53.0</b>	<b>159.3</b>
<b>Other comprehensive income</b>			
- <b>to be reclassified subsequently to profit / (loss) recyclable:</b>		<b>7.2</b>	<b>53.2</b>
Exchange differences on translation of foreign operations		7.2	52.9
Deferred tax on items recyclable recognized directly on equity		0.0	0.3
- <b>not reclassified to profit / (loss) non-recyclable:</b>		<b>-15.3</b>	<b>-10.9</b>
Actuarial gains and (losses) generated in the period on defined benefit plan		-18.8	-16.0
Deferred tax on items non-recyclable recognized directly on equity		3.5	5.0
<b>Total other comprehensive income</b>		<b>-8.1</b>	<b>42.3</b>
<b>Total comprehensive income for the period</b>		<b>44.9</b>	<b>201.5</b>
Of which:			
- <b>attributable to owners of the parent</b>		<b>44.9</b>	<b>186.5</b>
- non-controlling interests		0.0	15.0

### C.3. Interim condensed consolidated statements of financial position

(In € million)		As at June 30, 2020	As at December 31, 2019
<b>ASSETS</b>			
Goodwill	Note 10	3,124.5	3,114.5
Intangible assets	Note 11	1,023.7	1,047.1
Tangible assets		143.4	143.9
Right-of-use	Note 12	207.9	202.1
Non-current financial assets	Note 13	91.9	102.1
Deferred tax assets		33.3	26.5
<b>Total non-current assets</b>		<b>4,624.8</b>	<b>4,636.2</b>
Trade accounts and notes receivables	Note 14	408.0	413.5
Current taxes		26.3	29.5
Other current assets	Note 15	152.2	242.3
Assets linked to intermediation activities		921.6	1,053.4
Current financial instruments		0.4	0.4
Cash and cash equivalents	Note 16	1,692.4	500.5
<b>Total current assets</b>		<b>3,200.9</b>	<b>2,239.7</b>
<b>Total assets</b>		<b>7,825.7</b>	<b>6,875.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
(In € million)		As at June 30, 2020	As at December 31, 2019
Common stock		124.4	124.3
Additional paid-in capital		2,545.7	2,542.8
Consolidated retained earnings		549.8	244.0
Translation adjustments		6.0	-1.1
Net income attributable to the owners of the parent		53.0	311.2
Equity attributable to the owners of the parent		3,278.8	3,221.1
Non-controlling interests		0.0	0.0
<b>Total shareholders' equity</b>	Note 17	<b>3,278.8</b>	<b>3,221.1</b>
Provisions for pensions and similar benefits	Note 18	169.1	159.9
Non-current provisions		25.6	37.8
Borrowings	Note 19	2,051.4	1,054.2
Deferred tax liabilities		209.2	206.5
Non-current lease liabilities		173.3	169.4
<b>Total non-current liabilities</b>		<b>2,628.6</b>	<b>1,627.7</b>
Trade accounts and notes payables	Note 20	348.8	318.4
Current taxes		73.5	73.9
Current provisions		27.6	21.9
Current portion of borrowings	Note 19	110.2	87.7
Liabilities linked to intermediation activities		921.6	1,053.4
Current lease liabilities	Note 12	34.8	32.3
Other current liabilities	Note 21	401.8	439.4
<b>Total current liabilities</b>		<b>1,918.3</b>	<b>2,027.1</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,825.7</b>	<b>6,875.9</b>

## C.4. Interim condensed consolidated cash flow statement

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019
<b>Profit before tax</b>	<b>69.3</b>	<b>208.7</b>
Depreciation of assets	55.2	50.6
Depreciation of right-of-use	20.1	19.4
Net charge / (release) to operating provisions	4.3	10.2
Net charge / (release) to financial provisions	2.9	1.3
Net charge / (release) to other operating provisions	3.7	-1.7
Customer relationships & Patent amortization	36.6	37.0
Losses / (gains) on disposals of fixed assets	1.3	1.6
Net charge for equity-based compensation	8.9	8.7
Losses / (gains) on financial instruments	0.0	-86.8
Net cost of financial debt	5.2	0.6
<b>Cash from operating activities before change in working capital requirement, financial interest and taxes</b>	<b>207.5</b>	<b>249.7</b>
Taxes paid	-14.1	-19.6
Change in working capital requirement	27.5	-30.4
<b>Net cash from / (used in) operating activities</b>	<b>220.9</b>	<b>199.7</b>
Payment for tangible and intangible assets	-64.8	-46.9
<b>Net operating investments</b>	<b>-64.8</b>	<b>-46.8</b>
Amounts paid for acquisitions and long-term investments	49.3	-6.6
Cash and cash equivalents of companies purchased /sold during the period	0.0	-14.4
Proceeds from disposals of financial investments	-2.1	11.5
<b>Net long-term investments</b>	<b>47.1</b>	<b>-9.5</b>
<b>Net cash from / (used in) investing activities</b>	<b>-17.7</b>	<b>-56.3</b>
Common stock issues on the exercise of equity-based compensation	3.3	5.2
Capital increase subscribed by non-controlling interests	0.0	2.8
Dividends paid to minority shareholders of subsidiaries	0.0	0.7
New borrowings	1,093.7	95.0
Lease payments & Interest	-19.5	-18.7
Repayment of borrowings	-63.0	-9.1
Net cost of financial debt paid	-1.1	-0.6
Other flows related to financing activities	-1.6	0.0
<b>Net cash from / (used in) financing activities</b>	<b>1,011.9</b>	<b>75.4</b>
<b>Increase / (decrease) in net cash and cash equivalents</b>	<b>1,215.1</b>	<b>218.8</b>
<b>Opening net cash and cash equivalents</b>	<b>476.0</b>	<b>95.2</b>
Increase / (decrease) in net cash and cash equivalents	1,215.1	218.8
Impact of exchange rate fluctuations on cash and cash equivalents	-8.9	0.6
<b>Closing net cash and cash equivalents</b>	<b>1,682.2</b>	<b>314.5</b>

## C.5. Interim condensed consolidated statement of changes in shareholder's equity

(In € million)	Number of shares at period-end (in thousands)	Common Stock	Additional paid-in capital	Retained earnings	Translation adjustments	Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
<b>At January 1st, 2019</b>	<b>182,554.7</b>	<b>124.1</b>	<b>2,538.4</b>	<b>904.1</b>	<b>-67.9</b>	<b>100.5</b>	<b>3,599.2</b>	<b>208.9</b>	<b>3,808.2</b>
* Common stock issued	209.7	0.1	4.4				4.6		4.6
* Appropriation of prior period net income				100.5		-100.5			
* Dividends paid to the shareholders								-9.9	-9.9
* Equity-based compensation				14.0			14.0		14.0
* Convertible bonds equity split accounting				59.4			59.4		59.4
* Equens Worldline non-controlling interests purchase				-846.8			-846.8	-225.9	-1,072.7
* Changes in Treasury stock and others				23.4			23.4		23.4
Transactions with owners	209.7	0.1	4.4	-649.5		-100.5	-745.4	-235.8	-981.2
* Net income						311.2	311.2	26.8	338.0
* Other comprehensive income				-10.6	66.8		56.1		56.1
Total comprehensive income for the period				-10.6	66.8	311.2	367.3	26.8	394.1
<b>At December 31<sup>st</sup>, 2019</b>	<b>182,764.5</b>	<b>124.3</b>	<b>2,542.8</b>	<b>244.0</b>	<b>-1.1</b>	<b>311.2</b>	<b>3,221.2</b>		<b>3,221.1</b>
* Change in Share nominal value									-
* Common stock issued	196.5	0.1	2.9				3.0		3.0
* Appropriation of prior period net income				311.2		-311.2			
* Equity-based compensation				8.9			8.9		8.9
* Changes in Treasury stock and others				0.9			0.9		0.9
Transactions with owners	196.5	0.1	2.9			-311.2	12.8		12.8
* Net income						53.0	53.0		53.0
* Other comprehensive income				-15.3	7.2		-8.1		-8.1
Total comprehensive income for the period				-15.3	7.2	53.0	44.9		44.9
<b>At June 30<sup>th</sup>, 2020</b>	<b>182,960.9</b>	<b>124.4</b>	<b>2,545.7</b>	<b>549.8</b>	<b>6.0</b>	<b>53.0</b>	<b>3,278.8</b>		<b>3,278.8</b>

## C.6. Notes to the interim condensed consolidated financial statements

### General information

Worldline SA, the Worldline Group's parent company, is a public limited company under French law whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. The company is registered with the Registry of Commerce and Companies of Pontoise under the reference 378 901 946 RCS Pontoise. Worldline SA shares are traded on the Euronext Paris market under ISIN code FR0011981968. The shares are not listed on any other stock exchange and Worldline SA is the only listed company in the Group. The company is administrated by a board of directors.

Worldline is a European leader and a global market player in the electronic payment and transactional services sector. Worldline activities are organized around three axes: Merchant Services, Financial Services and Mobility & e-Transactional Services.

These interim condensed consolidated financial statements were approved by the Board of Directors on July 22, 2020.

### Note 1: Accounting rules and policies

#### Basis of preparation of interim condensed consolidated financial statements

The 2020 interim condensed consolidated financial statements have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at January 1, 2020.

The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

These interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2019. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

#### Changes in accounting policies

As of January 1, 2020, the Group applied the following standards, interpretations and amendments that had no material impact on the Group financial statements:

- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform;
- Amendments to IFRS 3 – Definition of a Business;
- Amendments to IAS 1 and IAS 8 – Definition of Material;
- Amendments to References to the conceptual framework in IFRS Standards.

Except for new standards and amendments effective for the periods beginning as of January 1, 2020, the accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2019.

The Group has not early adopted any standard or interpretation not required to be applied for periods beginning as or after January 1, 2020. The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date.

These interim condensed consolidated financial statements are presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal.

## Accounting estimates and judgments

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

Material judgments made by the management on accounting principles applied, as well as the main sources of uncertainty related to the estimates used to elaborate the 2020 interim consolidated financial statements remain identical to those described in the last annual report.

## Significant accounting policies

In addition to the accounting principles as disclosed in the annual consolidated financial statements, significant accounting principles are relevant for the interim consolidated financial statements and are presented in:

- Note 8 – Income Tax;
- Note 10 – Goodwill and impairment tests;
- Note 12 – Right-of-use assets & lease liabilities;
- Note 18 – Pensions and similar benefits;
- Note 19 – Borrowings.

### Impairment of assets

Goodwill and assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount could not be recoverable. If necessary, an impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value. Such events and circumstances include but are not limited to:

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

In the frame of the Covid-19 crisis the Group updated the last impairment tests performed in 2019. Based on this analysis no impairment loss has been identified. The impact of Covid-19 pandemic on Worldline business operations are further described in Note 2.

### Pensions and similar benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant impacts on both the obligations and plan assets and limited to the Group's most significant pension plans. For less significant plans actuarial projections are used.

### Corporate income tax

The income tax charge includes current and deferred tax expenses. For the purposes of the interim condensed consolidated financial statements, consolidated income tax expense is determined by applying the estimated effective tax rate for the full year to the "half-year net income before tax". The estimated effective tax rate for the full-year is determined on the basis of forecasted current and deferred tax expense for the year in the light of full-year earnings projections.

## Note 2: Significant events of the semester

### Creation of a new world-class leader in payment services: Planned acquisition of Ingenico

As a reminder, on February 3, 2020, Worldline and Ingenico Group SA announced that their respective Boards of Directors had 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.

Upon closing, former Worldline shareholders would own c.65% of the combined entity and former Ingenico shareholders would own c.35% of Worldline.

This transaction would combine two premier companies to create the world's number four player in payment services with circa 20,000 employees in approximately 50 countries with physical presence. Upon closing, the new combined group would offer payment services to nearly 1 million merchants and 1,200 financial institutions, with estimated pro forma revenue reaching c. € 5.3 billion in 2019, out of which c. € 2.5 billion in merchant payment and transaction-related services.

On June 9, 2020, Worldline's General Meeting approved with a vast majority (99.59%) the issuance of shares as part of the tender offer by Worldline on the shares and convertible bonds (OCEANES) issued by Ingenico.

Please refer to the press release issued on February 3<sup>rd</sup>, 2020 regarding this transaction for further details regarding conditions and commitments agreed between Ingenico and Worldline.

### Issuance of fixed rate unsecured notes for a total value 1 bn €, in the context of the planned acquisition of Ingenico

On June 23, 2020, Worldline issued fixed rate senior unsecured notes for a total value of € 1 billion, in the Euro bond market, in 2 tranches of € 500 million each with respective maturities of 3 years (0.5% coupon) and 7 years (0.875% coupon). Worldline intends to use the proceeds primarily for the pre-financing of the contemplated acquisition of Ingenico.

### Impact of the COVID-19 pandemic on Worldline financial statements

After a solid growth recorded in January and February, the Group's business was impacted by strict distancing and confinement measures as well as store lock-down imposed to non-essential retail in the context of the COVID-19 pandemic, starting in March in most of its key markets.

As a consequence, number of transactions processed notably for merchants, banks and transportation companies dropped sharply from March, affecting the revenue and profitability of all 3 Business lines of the Group.

With the gradual ease of these restrictions in the course of the second quarter, and the wider adoption of electronic payments, volumes of transactions increased progressively during the second quarter, and was close to 2019 levels by end of June for domestic payment transactions.

This resulted in a limited decrease of the Group's revenue during the first semester of less than -6%.

Strong actions to adapt the cost base to COVID-19 consequences were also taken, in particular on personnel and discretionary expenses, with a limited recourse to government-funded temporary unemployment schemes. As a result, the operating margin of the Group reached €165.3 million for the first half, limiting its decline to -190 basis points compared with the first semester of 2019.

### Further sale by Atos of c. 13.1% of Worldline share capital on February 4, 2020

On February 4, 2020, Atos has completed the sale of c. 23.9 million Worldline shares, representing c. 13.1% of the Worldline share capital.

Following this operation Atos holds ca. 7.0 million Worldline shares, representing ca. 3.8% of the Worldline share capital, which are underlying the exchangeable bonds. In case of exchange in full of the bonds, Atos would no longer hold any Worldline shares and voting rights.

### Note 3: Segment information by Global Business Lines

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

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

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

The geographical scope and the activities covered by each operating segment are as follows:

Operating segments	Business divisions	Geographical areas
Merchant Services	Commercial Acquiring, Terminal Services, Omnichannel Payment Acceptance, Private label Card & Loyalty Services, Digital Retail	Argentina, Austria, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, Switzerland, The Netherlands, United Kingdom, USA
Financial Services	Issuing Processing, Acquiring Processing, Digital Banking, Account Payments	Austria, Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Switzerland, Taiwan, The Netherlands and the United Kingdom.
Mobility & e-Transactional Services	Trusted Digitization, e-Ticketing, Contact & consumer cloud, Connected Living & Mobility	Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands and United Kingdom,

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. No external customer generates more than 10% of total Group sales. The operating segment information for the period was the following:

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Total Group
<b>6 months ended 30 June 2020</b>				
<b>External revenue by Global Business Lines</b>	<b>483.6</b>	<b>442.7</b>	<b>163.0</b>	<b>1,089.2</b>
% of Group revenue	44.4%	40.6%	15.0%	100.0%
<b>6 months ended 30 June 2019</b>				
<b>External revenue by Global Business Lines</b>	<b>535.2</b>	<b>444.3</b>	<b>172.6</b>	<b>1,152.0</b>
% of Group revenue	46.5%	38.6%	15.0%	100.0%

The “Merchant Services” external revenue is presented net of interchange bank commissions received on behalf of credit card companies.

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Global structures	Total Group
<b>6 months ended 30 June 2020</b>					
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>103.3</b>	<b>130.9</b>	<b>23.0</b>	<b>-10.9</b>	<b>246.3</b>
% revenue	21.4%	29.6%	14.1%	-1.0%	22.6%
<b>6 months ended 30 June 2019</b>					
<b>Operating Margin before Depreciation and Amortization (OMDA)</b>	<b>119.8</b>	<b>144.6</b>	<b>24.9</b>	<b>-10.7</b>	<b>278.5</b>
% revenue	22.4%	32.5%	14.4%	-0.9%	24.2%

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

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019	Variation
<b>Operating margin</b>	<b>165.3</b>	<b>196.9</b>	<b>-31.6</b>
+ Depreciation of fixed assets	75.4	70.1	5.3
+ Net book value of assets sold/written off	1.4	1.4	0.0
+/- Net charge/(release) of pension provisions	4.1	6.5	-2.4
+/- Net charge/(release) of provisions	0.2	3.6	-3.5
<b>OMDA</b>	<b>246.3</b>	<b>278.5</b>	<b>-32.2</b>

The geographical segment information for the period was the following:

(In € million)	France	Luxembourg & Netherlands	Belgium	Germany and CEE	Switzerland	North & South Europe	Emerging markets	Total Group
<b>6 months ended 30 June 2020</b>								
<b>External revenue by geographical area</b>	<b>218.9</b>	<b>160.7</b>	<b>174.3</b>	<b>188.0</b>	<b>157.4</b>	<b>125.2</b>	<b>64.9</b>	<b>1,089.2</b>
% of Group revenue	20.1%	14.8%	16.0%	17.3%	14.4%	11.5%	6.0%	100.0%
<b>6 months ended 30 June 2019</b>								
<b>External revenue by geographical area</b>	<b>216.8</b>	<b>186.2</b>	<b>186.0</b>	<b>175.9</b>	<b>168.0</b>	<b>140.2</b>	<b>78.9</b>	<b>1,152.0</b>
% of Group revenue	18.8%	16.2%	16.1%	15.3%	14.6%	12.2%	6.8%	100.0%

#### Note 4: Personnel expenses

(In € million)	6 months ended 30 June 2020	% Revenue	6 months ended 30 June 2019	% Revenue
Wages, salaries & social security charges	-420.5	38.6%	-422.1	36.6%
Tax, training, profit-sharing	-5.6	0.5%	-7.6	0.7%
Net (charge)/release to provisions for pensions and similar Benefits	-4.1	0.4%	-6.5	0.6%
<b>Total</b>	<b>-430.2</b>	<b>39.5%</b>	<b>-436.2</b>	<b>37.9%</b>

## Note 5: Non personnel operating expenses

(In € million)	6 months ended 30 June 2020	% Revenue	6 months ended 30 June 2019	% Revenue
Operating costs	-199,9	18,4%	-201,2	17,5%
Subcontracting costs direct	-168,4	15,5%	-179,9	15,6%
Scheme fees	-69,4	6,4%	-81,1	7,0%
<b>Subtotal expenses</b>	<b>-437,8</b>	<b>40,2%</b>	<b>-462,2</b>	<b>40,1%</b>
Depreciation of assets	-75,4	6,9%	-70,1	6,1%
Net (charge)/release to provisions	-0,2	0,0%	-3,6	0,3%
Gains/(Losses) on disposal of assets	-1,3	0,1%	-1,3	0,1%
Trade Receivables write-off	-2,9	0,3%	-2,3	0,2%
Capitalized Production	23,8	-2,2%	20,7	-1,8%
<b>Subtotal other expenses</b>	<b>-56,0</b>	<b>5,1%</b>	<b>-56,6</b>	<b>4,9%</b>
<b>Total</b>	<b>-493,8</b>	<b>45,3%</b>	<b>-518,9</b>	<b>45,0%</b>

## Note 6: Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent.

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019
Staff reorganization	-1.5	-1.3
Rationalization and associated costs	-0.4	-1.9
Integration and acquisition costs	-31.9	-17.3
Equity based compensation & associated costs	-12.2	-9.3
Customer relationships and patents amortization	-36.6	-37.0
Other items	-0.8	-4.3
<b>Total</b>	<b>-83.5</b>	<b>-71.1</b>

**Staff reorganization** expenses of € 1.5 million increased by € 0.2 million compared to last year and correspond mainly to the restructuring costs induced by the recent acquisitions.

The € 0.4 million of **rationalization and associated costs** resulted mainly in administrative back office transformation. Those costs have decreased by € 1.5 million compared to the first half of 2019.

**Integration and acquisition costs** reached € 31.9 million, an increase of € 14.6 million compared to the prior period, and corresponded mainly to Six Payment Services post-acquisition and integration costs and to the costs related to the contemplated acquisition of Ingenico.

**Equity based compensation & associated costs** reached € 12.2 million increased by € 2.9 million compared to last year. During the semester two new plans have been settled with the following characteristics:

Performance share plan		Stock option plan	
Grant Date	June 09, 2020	Grant Date	June 09, 2020
Number of shares granted	379,730	Number of options granted	101,120
Share price at grant date (€)	67.60	Share price at grant date (€)	67.60
Vesting Date	June 09, 2023	Strike price (€)	69.73
Expected Life	3 years	Vesting date	June 09, 2023
Lock-up period	-	Expected volatility	24%
Risk free interest rate	-	Expected maturity of the plan	5 years
Borrowing-lending spread	-	Risk free interest rate	-0.142%
Expected dividend yield	1.1%	Expected dividend yield	1.10%
<b>Fair value of shares granted (in €)</b>	<b>65.41</b>	<b>Fair value of options granted (in €)</b>	<b>11.48</b>
<b>Expense recognized in H1 2020 (in € million)</b>	<b>0.3</b>	<b>Expense recognized in H1 2020 (in € million)</b>	<b>0,0</b>

The six-month 2020 **amortization of customer relationship and patents (PPA from acquisitions)** of € 36.6 million corresponds mainly to:

- € 28.2 million of SIX Payment Services customer relationships, technologies and patents;
- € 3.8 million of Equens and Paysquare customer relationships;
- € 1.1 million of MRL Posnet customer relationships and technologies;
- € 1.1 million of Cataps (KB Smartpay) customer relationships.

#### Note 7: Net Financial Result

Net financial expense amounted to € 12.5 million for the period (compared to an income of € 82.9 million at the end of June 2019) and was made up of:

- A net cost of financial debt of € 5.6 million (€ 0.4 million at the end of June 2019); and
- A non-operational financial expense of € 6.9 million (profit of € 83.4 million at the end of June 2019).

The net cost of financial debt of € 5.6 million is mainly made up of interests linked to convertible bonds for € 3.1 million and straight bonds for € 1 million.

The non-operational financial expense was mainly composed of:

- Foreign exchange losses for € 5.2 million (€ 0.7 million at the end of June 2019);
- The recognition in the consolidated income statement of the variation of the fair value of the Visa preferred shares for a profit of € 2.9 million (€ 16.8 million at end of June 2019);
- Financial interests on lease liability (IFRS 16) for € 1.9 million (€ 1.7 million at end of June 2019);
- Impairment on Participating Interests in TWINT for € 1.9 million; and
- Pension financial costs for € 0.8 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded.

In the first semester 2019 the non-operational financial expenses were mainly composed of the recognition of the fair value adjustment of the contingent liability linked to the acquisition of SIX Payment Services representing an expense of € 70.0 million and the variation of the fair value of the Visa preferred shares for a profit of € 16.8 million.

#### Note 8: Income tax expenses

The tax charge for the six-month period ended June 30, 2020 was € 16.4 million with a profit before tax of € 69.3 million. The annualized Effective Tax Rate (ETR) of 23.4% adjusted for tax discrete items leads to an ETR of 23.6% to compare with an ETR of 23.7% for the first semester of 2019.

## Note 9: Earnings per Share

Basic and diluted earnings per share are reconciled in the table below. Potential dilutive instruments comprise stock options, which do not generate any restatement of net income used for the diluted EPS calculation and convertible bonds interest expenses net of tax for € 2.1 million. As of end of June 2020, potential dilutive instruments comprised stock options for 871,567 options and convertible bonds effect for 5,813,953 options.

(In € million and shares)	6 months ended 30 June 2020	6 months ended 30 June 2019
<b>Net income - Attributable to owners of the parent [a]</b>	<b>53.0</b>	<b>141.5</b>
Impact of dilutive instruments	2.1	0.0
<b>Net income restated of dilutive instruments - Attributable to owners of the parent [b]</b>	<b>55.0</b>	<b>141.5</b>
Average number of shares outstanding [c]	182,486,386	182,599,810
Impact of dilutive instruments [d]	6,685,520	910,782
Diluted average number of shares [e]=[c]+[d]	189,171,907	183,510,592
<b>Earnings per share in EUR [a]/[c]</b>	<b>0.29</b>	<b>0.78</b>
<b>Diluted earnings per share in EUR [b]/[e]</b>	<b>0.29</b>	<b>0.77</b>

## Note 10: Goodwill

(In € million)	As at December 31, 2019	Disposals Depreciations	Impact of business combination	Exchange rate fluctuations	As at June 30, 2020
Gross value	3,115.1	0.0	0.7	9.3	<b>3,125.1</b>
Impairment loss	-0.6	0.0	0.0	0.0	<b>-0.6</b>
<b>Carrying amount</b>	<b>3,114.5</b>	<b>0.0</b>	<b>0.7</b>	<b>9.3</b>	<b>3,124.5</b>

Goodwill mainly corresponds to:

- € 2,198.4 million related to acquisitions of SIX Payment Services;
- € 450.8 million related to the acquisitions of Equens/Paysquare and Cataps.
- € 243.3 million related to Banksys acquisition;
- € 46.4 million related to the acquisition of MRL Posnet;
- € 41.3 million related to the acquisition of Worldline Baltics (former First Data Baltics); and
- € 33.0 million related to the acquisition of WOPA (former DRWP).

In the COVID-19 economic crisis context, impairment tests on CGUs (Cash Generating Units) have been performed based on revised business plans. These tests did not lead to any impairment charge.

## Note 11: Intangible assets

(In € million)	Software & Licenses	Customer Relationships/ Patent	Other assets	Total
<b>Gross value</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>798.6</b>	<b>626.3</b>	<b>39.7</b>	<b>1,464.7</b>
Additions	13.9	0.0	0.4	14.3
R&D capitalized	23.7	0.0	0.0	23.7
Disposals	-0.4	0.0	-0.2	-0.6
Exchange differences	-0.8	1.2	2.0	2.5
Other	0.5	0.0	-0.2	0.2
<b>As at June 30, 2020</b>	<b>835.3</b>	<b>627.6</b>	<b>41.8</b>	<b>1,504.7</b>
<b>Accumulated depreciation</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>-239.3</b>	<b>-148.8</b>	<b>-29.4</b>	<b>-417.5</b>
Depreciation charge for the year	-28.8	-36.5	0.0	-65.3
Disposals/reversals	0.3	0.0	0.0	0.3
Exchange differences	0.3	0.7	0.5	1.5
<b>As at June 30, 2020</b>	<b>-267.5</b>	<b>-184.6</b>	<b>-28.9</b>	<b>-481.1</b>
<b>Net value</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>559.3</b>	<b>477.5</b>	<b>10.3</b>	<b>1,047.1</b>
<b>As at June 30, 2020</b>	<b>567.8</b>	<b>443.0</b>	<b>12.8</b>	<b>1,023.6</b>

Development capitalized costs are related to the modernization of proprietary technological platforms for € 23.7 million. At June 30, 2020, the net book value of those capitalized cost amounted to € 188.1 million.

## Note 12: Right-of-Use assets and Lease liabilities

### Right-of-Use assets

(In € million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>217.6</b>	<b>8.2</b>	<b>17.7</b>	<b>243.5</b>
Additions	17.1	5.6	3.0	25.7
Impact of business combination	0.0	0.0	0.0	0.0
Disposals	-4.3	0.0	-1.3	-5.7
Exchange differences	0.2	0.0	0.0	0.2
<b>As at June 30, 2020</b>	<b>230.5</b>	<b>13.8</b>	<b>19.4</b>	<b>263.7</b>
<b>Accumulated depreciation</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>-31.0</b>	<b>-4.7</b>	<b>-5.6</b>	<b>-41.4</b>
Depreciation charge for the year	-16.3	-0.6	-3.2	-20.1
Disposals/Reversals	4.3	0.0	1.3	5.6
Exchange differences	0.1	0.0	0.0	0.1
<b>As at June 30, 2020</b>	<b>-42.9</b>	<b>-5.3</b>	<b>-7.5</b>	<b>-55.8</b>
<b>Net value</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>186.6</b>	<b>3.5</b>	<b>12.1</b>	<b>202.1</b>
<b>As at June 30, 2020</b>	<b>187.6</b>	<b>8.5</b>	<b>11.8</b>	<b>207.9</b>

### Lease liabilities

(In € million)	Land and buildings	IT equipments	Other assets	Total
<b>Gross value</b>				
<b>As at January 1<sup>st</sup>, 2020</b>	<b>186.1</b>	<b>3.6</b>	<b>11.9</b>	<b>201.7</b>
Additions	16.7	5.6	2.9	25.3
Reimbursement	-15.3	-0.6	-3.2	-19.1
Exchange differences	0.2	0.0	0.0	0.2
<b>As at June 30, 2020</b>	<b>187.8</b>	<b>8.6</b>	<b>11.7</b>	<b>208.1</b>

### Note 13: Non-current financial assets

(In € million)		As at June 30, 2020	As at December 31, 2019
Pension prepayments	Note 18	3.0	16.4
Fair value of non-consolidated investments		79.7	76.6
Investments in associates		4.5	4.5
Other (*)		4.7	4.6
<b>Total</b>		<b>91.9</b>	<b>102.1</b>

(\*) "Other" include loans, deposits and guarantees.

Fair value of non-consolidated investments mainly corresponds to Visa preferred shares.

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

### Note 14: Trade accounts and notes receivable

(In € million)		As at June 30, 2020	As at December 31, 2019
Contract assets		193.9	172.0
Trade receivables		228.1	252.4
Expected credit losses allowance		-13.9	-10.9
<b>Net asset value</b>		<b>408.0</b>	<b>413.5</b>
Contract liabilities		-130.5	-148.9
<b>Net accounts receivable</b>		<b>277.5</b>	<b>264.7</b>
<b>Number of days sales outstanding (DSO)</b>		<b>40</b>	<b>31</b>

Contract asset evolution usually reflects the revenue growth, activities associated to build revenue and sometimes license revenue related to Worldline intellectual property corresponding to distinct performance obligations in large outsourcing contracts in line with IFRS15, as well as projects and upsell activities with existing customers often invoiced at completion.

### Note 15: Other current assets

(In € million)		As at June 30, 2020	As at December 31, 2019
Inventories		35.4	41.2
State - VAT receivables		18.2	22.8
Prepaid expenses		55.5	50.6
Other receivables & current assets		36.5	115.8
Advance payment		6.5	11.9
<b>Total</b>		<b>152.2</b>	<b>242.3</b>

## Note 16: Cash and cash equivalents

(In € million)	As at June 30, 2020	As at December 31, 2019
Cash and cash equivalents	1,691.3	499.8
Money market funds	1.0	0.8
<b>Total cash and cash equivalents</b>	<b>1,692.4</b>	<b>500.6</b>
Overdrafts	-10.2	-24.5
<b>Total overdrafts and equivalents</b>	<b>-10.2</b>	<b>-24.5</b>
<b>Total net cash and cash equivalents</b>	<b>1,682.2</b>	<b>476.0</b>

## Note 17: Shareholder equity

At the end of June 2020, the total of shares reached at 182,960,921 with a nominal value of € 0.68. During the first semester, 196 464 shares have been created following the grant of performance shares and exercise of stock-option rights by executives and employees of the Group. Common stock was therefore increased from € 124,279,830.76 to € 124,413,426.28.

## Note 18: Pensions and similar benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant impacts on both the obligations and plan assets and limited to the Group's largest pension plans. For less material plans, straightforward actuarial projections are used.

The Corporate bond interest rate markets for all major zone/countries were particularly volatile this first half of the year due to the COVID19 crisis, with a peak at the end of March 2020. The discount rate curves have been downward sloping since then, as a consequence of the drop in the sovereign bond rates combined with the reduction in the credit spread. The discount rates at June, 30 2020 have decreased since December 31, 2019, for the UK but have remained stable for Switzerland and in the Eurozone.

	As at June 30, 2020	As at December 31, 2019
Euro zone (long duration plans)	1.30%	1.30%
Euro zone (other plans)	0.80%	0.80%
Switzerland	0.35%	0.30%
United Kingdom	1.60%	2.10%

The fair value of plan assets for the major UK and Swiss schemes have been remeasured as at June 30, 2020.

The net total amount recognized in the balance sheet in respect of pension plans per June 30, 2020 is a liability of € 166.1 million (compared to a liability of € 143.5 million per December 31, 2019). The increase in the net provision is mainly explained by the underperformance of the Assets of the Swiss foundation, as a consequence of the turmoil related to the COVID19 crisis. However, the estimated funding ratios in Switzerland, on a technical basis, do not require any solvency measures, at this stage.

(In € million)	As at June 30, 2020	As at December 31, 2019
Prepaid pension asset	3.0	16.4
Accrued liability – pension plans	-161.9	-153.0
<b>Total Pension plan</b>	<b>-158.9</b>	<b>-136.6</b>

(In € million)	As at June 30, 2020	As at December 31, 2019
Accrued liability – pension plans	-161.9	-153.0
Accrued liability – other long term benefits	-7.2	-6.9
<b>Total accrued liability</b>	<b>-169.1</b>	<b>-159.9</b>

The net impact of defined benefits plans on Group profit and loss can be summarized as follows:

(In € million)	As at June 30, 2020	As at June 30, 2019
Operating margin	-13.0	-13.7
Financial result	-0.8	-1.1
<b>Total (expense)/profit</b>	<b>-13.8</b>	<b>-14.8</b>

## Note 19: Borrowings

(In € million)	As at June 30, 2020			As at December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Overdrafts	10.2		10.2	24.5		24.5
Other borrowings	100.0		100.0	63.1		63.1
Convertible bonds		560.6	560.6		557.4	557.4
Straight Bonds		1,490.8	1,490.8		496.7	496.7
<b>Total borrowings</b>	<b>110.2</b>	<b>2,051.3</b>	<b>2,161.5</b>	<b>87.6</b>	<b>1,054.2</b>	<b>1,141.8</b>

Worldline launched on June 23, 2020 an offering of fixed rate senior unsecured notes, in the euro bond market, in 2 tranches with respective maturities of 3 years and 7 years:

- A € 500 million tranche maturing in 3 years with a 0.500% coupon and a 0.528% yield;
- A € 500 million tranche maturing in 7 years with a 0.875% coupon and 0.980% yield.

These bonds were issued for the pre-financing of the contemplated acquisition of Ingenico and/or for the general corporate purposes.

## Note 20: Trade accounts and notes payable

(In € million)	As at June 30, 2020	As at December 31, 2019
Trade payables and note payables	348.8	318.4
<b>Trade payables and note payables</b>	<b>348.8</b>	<b>318.4</b>
Advance payments	-6.5	-11.9
Prepaid expenses	-55.5	-50.6
<b>Net accounts payable</b>	<b>286.8</b>	<b>255.9</b>
<b>Number of days payable outstanding (DPO)</b>	<b>93</b>	<b>73</b>

Trade accounts and notes payable are expected to be paid within one year.

## Note 21: Other current liabilities

(In € million)	As at June 30, 2020	As at December 31, 2019
Contract liability	130.5	148.9
Employee-related liabilities	100.2	106.6
Social security and other employee welfare liabilities	72.6	48.9
VAT payable	51.1	59.6
Other operating liabilities	47.4	75.4
<b>Total</b>	<b>401.8</b>	<b>439.4</b>

Other current liabilities are mainly expected to be settled within one year.

## Note 22: Related parties

On the one hand, SIX Group provided services to Worldline including:

- The invoicing of delivery infrastructure;
- The re-invoicing of premises;
- The invoicing of administrative services.

On the other hand, Worldline provided transactional services to SIX Group.

These transactions are entered into at market conditions.

The related party transactions are detailed as follows:

### SIX

(In € million)	6 months ended 30 June 2020	6 months ended 30 June 2019
Revenue	15.4	13.2
Operating income / expenses	-25.0	-23.6

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

(In € million)	As at June 30, 2020	As at December 31, 2019
Trade accounts and notes receivables	4.1	2.2
Other current assets	0.0	46.3
Assets linked to intermediation activities	98.8	107.1
Trade accounts and notes payables	11.3	12.4
Other current liabilities	0.2	0.1

### Note 23: Subsequent events

#### Further progresses made since July 1, 2020 regarding the planned acquisition of Ingenico

Further progress has been made since July 1<sup>st</sup>, 2020 towards the processes to be completed and the approvals to be obtained to close the transaction. In particular:

#### Regarding the tender offer:

- On July 8, 2020 Worldline filed its draft offer document relating to Worldline's tender offer for Ingenico securities and Ingenico filed its draft reply document, with the Autorité des marchés financiers (AMF). The tender offer and the draft offer document remain subject to review by the AMF, which will assess their compliance with applicable laws and regulations.
- All other regulatory clearances required for the opening of the offer pursuant to banking/financial and foreign investment regulations have already been obtained. The social process for the acquisition has been completed as well.
- Once opened, the tender offer will only be subject to the following conditions precedent (Worldline reserves the right to waive the benefit of each of these conditions):
  - Clearance under merger control by the European Commission,
  - Worldline obtaining a number of Ingenico shares representing at least 60% of Ingenico's share capital on a fully diluted basis<sup>2</sup>.

#### Regarding the financing of the offer:

Net proceeds of the bond issuance of € 1 billion have been pledged early July for the benefit of BNP as the bank guaranteeing the offer made on Ingenico securities.

In addition to the € 1 billion bond issued on June 23, 2020, a bridge financing for the transaction has been signed on July 6, 2020 by a pool of 8 banks for an amount up to € 1.6 billion. That bridge financing will be available for duration of up to 2 years.

<sup>2</sup> If Worldline were to waive this condition, the statutory caducity threshold set at 50% of the share capital or voting rights (on a non-diluted basis) of Ingenico will remain applicable.

## C.7. Statutory auditor's review report on the half-yearly financial information for the period from January 1 to June 30, 2020

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

To the Shareholders,

In compliance with the assignment entrusted to us by the General Meetings and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Worldline, for the period from January 1 to June 30, 2020,
- the verification of the information presented in the half-yearly management report.

These half-year condensed consolidated financial statements were prepared under the responsibility of the Board of Directors on July 22, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and difficulties in assessing its impacts and future prospects. Our role is to express a conclusion on these financial statements based on our review.

### I. Conclusion on the financial statements

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

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

### II. Specific verification

We have also verified the information presented in the half-yearly management report commenting the condensed half-yearly consolidated financial statements subject to our review prepared on July 22, 2020.

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

Paris-La Défense and Neuilly-sur-Seine, July 23, 2020  
The Statutory Auditors  
*French original signed by*

Deloitte & Associés

Grant Thornton  
*French member of Grant Thornton International*

Véronique Laurent

Virginie Palethorpe

## D. RISK FACTORS

### Impact of the Coronavirus pandemic (Covid-19)

Worldline reiterates, in particular, the risk factor described in its 2019 Universal Registration Document in Section F.2.5.1 related to the impact of the Coronavirus pandemic (COVID-19), which is regularly monitored by management at Group and local entity level.

The recent evolution of the risk relating to the Coronavirus (Covid-19) pandemic has necessitated a reassessment of its impact at Group level. This pandemic constitutes a health, operational and financial risk. Initially appearing only in Asia-Pacific in December 2019, this virus spread rapidly and virulently in Europe and the rest of the world, leading to significant measures, in particular restrictions and containment measures taken by the governments in various countries in a context that is highly changing and uncertain in terms of duration, thus generating significant consequences on the global economy that were not initially anticipated. The spread of this virus and its consequences, in particular the measures taken by governments or stakeholders in response, is likely to affect the health of employees and service providers, the Group's operations and projects, as well as its financial situation. Although the impacts are difficult to quantify at this stage, the main risk factors of this pandemic have been identified. Without being exhaustive, they can be summarized as follows:

- Health impacts on the health and activities of the Group's employees and service providers, which could lead to restrictions and/or disruptions in the conduct of operations or the loss of employees in critical positions (see Section F.2.4 "Service delivery quality and business continuity" of the 2019 Universal Registration Document);
- Operational impact due to the disruption of industrial supply chains for products or equipment from countries affected by this pandemic (see Section F.2.5.6 "Suppliers" of the 2019 Universal Registration Document); and
- Financial impacts resulting from the global slowdown in economic activity involving lower transaction volumes and non-payment in sectors specifically affected by the health crisis or on the availability or cost of financial resources (see Section F.2.5.9 "Macro-economic changes and country risks of the 2019 Universal Registration Document).

Please also refer to the other risk factors included in the 2019 Universal Registration Document at Section F.2.

## **E. CORPORATE GOVERNANCE AND OTHER ADDITIONAL INFORMATION**

### **E.1. Directors renewals and appointments and composition of the Board of Directors**

The Company's Annual General Meeting held on June 9, 2020 approved all the proposed renewals of terms of office of directors. In particular, it renewed the terms of office as Director of Mr. Gilles Grapinet, Ms. Giulia Fitzpatrick and Mr. Aldo Cardoso. It has also ratified the cooptation of Mr. Daniel Schmucki as Director and Mr. Gilles Arditti and Mr. Johannes Dijsselhof as censors.

The Annual General Meeting also decided to appoint as directors, subject to the closing of the acquisition of the control of Ingenico, Mr. Bernard Bourigeaud (who would be appointed as Chairman of the Board of Worldline), Mr. Gilles Arditti, Mr. Thierry Sommelet, Mr. Michael Stollarz, Ms. Caroline Parot, Ms. Agnès Audier and Ms. Nazan Somer Özelgin.

Following these appointments and renewals, the Board of Directors, during its meeting held after the Annual General Meeting, decided to confirm the offices of Mr. Gilles Grapinet as Company's Chief Executive Officer and Mr. Marc-Henri Desportes as Company's Deputy Chief Executive Officer as well as the composition of the Board's Committees which therefore remains unchanged compared to the composition described at Section G.2.3.1 of the 2019 Universal Registration Document.

Consequently, the Board of Directors is composed:

- As at the date of this document: 10 Directors, out of which 5 are independents (50%) and one Director representing the employees<sup>3</sup>;
- As from the date of completion of the acquisition of the control of Ingenico: 17 Directors out of which 11 are independents (65%) and one Director representing the employees<sup>3</sup>.

Section E.5. of this document shows details of the contemplated Board composition further to the acquisition of the control of Ingenico.

### **E.2. Annual General Meeting of June 9, 2020**

The Annual General Meeting approved all the resolutions submitted by the Board of Directors. The results of the votes at the Combined General Meeting together with the documentation on the adopted resolutions is available on the Company's website, [www.worldline.com](http://www.worldline.com), Investors section.

### **E.3. Long term incentives**

The Board of Directors dated June 9, 2020 decided to issue a total of:

- 379,730 performance shares to 442 beneficiaries out of which 25,850 for Mr. Gilles Grapinet and 13,400 for Mr. Marc-Henri Desportes;
- 101,120 stock options to 21 beneficiaries out of which 25,850 for Mr. Gilles Grapinet and 13,400 for Mr. Marc-Henri Desportes.

The description of the stock options and performance shares plans is set forth in Section G.3.1.3 (for Mr. Gilles Grapinet) and Section G. 3.1.4 (for Mr. Marc-Henri Desportes) of the 2019 Universal Registration Document.

- The dilutive effect of the conversion of the stock options on the share capital as at June 30, 2020 is equal to 1.03%.
- The dilutive effect of the issuance of the performance shares on the share capital as at June 30, 2020 is equal to 1.19%.

The Board of Directors dated July 22, 2020, having recalled the revision of the 2020 guidance in the context of the Covid-19 pandemic and the fact that the stock-options and performance shares plans granted in 2018 and 2019 have underlying internal performance conditions for 2020 which are in line with the guidance and / or based on the budget in line with the guidance, has acknowledged the adjustment of the 2020 internal performance conditions objectives to bring them in line with the revised 2020 budget and guidance.

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<sup>3</sup> A second director representing the employees is expected to be nominated as per the bylaws of Worldline SA as amended on June 9, 2020.

## E.4. Related-party agreement

As indicated in Section E.8.2.1 of the 2019 Universal Registration Document, Worldline and SIX Group AG were still in the course of finalization of certain post-closing actions regarding, in particular, purchase price adjustment. In this context, the parties executed on June 9, 2020 an agreement the purpose of which is, in particular, to:

- finalize the closing accounts;
- confirm the finalization of the closing accounts and renounce to take advantage again of the matters which were taken into account in the final closing accounts;
- formalize the commitment of SIX Group AG to pay to Worldline the amount of the price adjustment (CHF 58,975,000);
- agree on a commitment from SIX Group AG to indemnify Worldline up to a maximum amount of CHF 2,800,000 for the possible consequences of an ongoing litigation.

At its meeting dated June 9, 2020, the Board of Directors authorized the conclusion of this agreement. It was noted that it is in the interest of the Company to conclude such agreement with SIX Group AG, its main shareholder, in order to definitively close the closing accounts and resolve some of the current topics resulting from the acquisition of SIX Payment Services. Additional information regarding this agreement is available on the website of Worldline, section Investors and Governance.

## E.5. Contemplated board composition further to the acquisition of control of Ingenico

	PERSONAL INFORMATION					EXPERIENCE	POSITION ON THE BOARD				
	Name	Age	Gender	Nationality	Number of shares held	Number of corporate mandates in other listed companies	Independency <sup>1</sup>	Date of first appointment	End of term of office	Seniority at the Board	Committee member
<b>Chief Executive Officer</b>	Gilles Grapinet	56	M	French	114,726	0	No	April 30, 2014	AGM 2023	5	SER/SI
<b>Chairman of the Board of Directors</b>	Bernard Bourigeaud <sup>1-3</sup>	76	M	French	N/A <sup>2</sup>	1	Yes	Transaction completion date	AGM 2023	None	
<b>Directors</b>	Gilles Arditti <sup>3</sup>	64	M	French	22,539	0	No	April 30, 2014	AGM 2023	5	
	Agnès Audier <sup>3</sup>	55	F	French	N/A <sup>2</sup>	1	Yes	Transaction completion date	AGM 2021	None	
	Aldo Cardoso <sup>3</sup>	64	M	French	1,500	4	Yes	June 13, 2014	AGM 2023	5	A <sup>*</sup> /SI
	Giulia Fitzpatrick <sup>3</sup>	60	F	American; Italian	750	0	No	November 30, 2018	AGM 2023	1	A/SER/SI
	Lorenz von Habsburg Lothringen	64	M	Austrian; Belgian	750	0	No	April 30, 2019	AGM 2021	1	N&R <sup>*</sup> /SI
	Mette Kamsvåg	49	F	Norwegian	1,000	0	Yes	April 30, 2019	AGM 2022	1	A/SER
	Danielle Lagarde	59	F	French	2,740	0	Yes	December 12, 2016	AGM 2021	3	N&R/SER <sup>*</sup>
	Caroline Parot <sup>3</sup>	48	F	French	N/A <sup>2</sup>	1	Yes	Transaction completion date	AGM 2022	None	
	Georges Pauget (Lead independent director)	72	M	French	750	2	Yes	April 30, 2019	AGM 2022	1	
	Luc Rémont	50	M	French	1,500	1	Yes	June 13, 2014	AGM 2022	5	A/N&R/SI
	Daniel Schmucki <sup>3</sup>	51	M	Swiss	N/A <sup>2</sup>	0	No	November 30, 2018 (as censor)	AGM 2021	1 (as censor)	A/SI <sup>*</sup>
	Nazan Somer Özelgin <sup>3</sup>	56	F	Turkish	N/A <sup>2</sup>	2	Yes	Transaction completion date	AGM 2021	None	
	Thierry Sommelet <sup>3</sup>	50	M	French	N/A <sup>2</sup>	3	Yes	Transaction completion date	AGM 2023	None	
	Michael Stollarz <sup>3</sup>	53	M	German	N/A <sup>2</sup>	0	No	Transaction completion date	AGM 2022	None	
Susan M. Tolson	58	F	American	1,500	3	Yes	June 13, 2014	AGM 2022	5	A/N&R	
<b>Director representing the employees</b>	Marie-Christine Lebert	57	F	French	N/A <sup>2</sup>	0	No	May 17, 2019	AGM 2022	1	SER
<b>Censor</b>	Jos Dijsselhof <sup>3</sup>	54	M	Dutch	N/A	0	N/A	March 19, 2020	AGM 2021	Less than a year	

AGM: Annual General Meeting; N&R: Nomination and Remuneration Committee; A: Audit Committee; SI: Strategy & Investment Committee; SER: Social and Environmental Responsibility Committee.

<sup>\*</sup>Chairman

1. The analysis of the independence of each Director is set forth under section G.2.3.3 Review of the Directors' independence of the 2019 Universal Registration Document. The analysis of the independency of each candidate was carried out by the Board of Directors on March 19, 2020 on the basis of the preparatory work of the Nomination and Remuneration Committee.

2. In accordance with the Internal Rules of the Board of Directors' provisions, the newly appointed directors are required to own Worldline's shares but such a requirement does not apply to the director representing the employees. It is contemplated that the candidate will purchase Company shares further to his/her appointment in order to comply with the relevant provision of the internal rules of the Board of Directors.

3. Appointment as Director subject to completion of the acquisition of the control of Ingenico.

## F. APPENDICES

### F.1. Contacts

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

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More information concerning the Company, such as financial information, AMF regulated information, corporate governance or corporate responsibility & sustainability, is available on the website of Worldline [www.worldline.com](http://www.worldline.com).

Requests for information can also be sent by email to [investor-relations@worldline.com](mailto:investor-relations@worldline.com).

### F.2. Financial calendar

October 29, 2020

Q3 2020 revenue

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