DIGITAL PAYMENTS
FOR A TRUSTED WORLD

WORLDLINE

2021
FINANCIALS

CONTENTS

A. GROUP OVERVIEW

A.1. Business profile

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

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

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

Worldline operates in more than 50 countries. As a result of its acquisition of Ingenico in 2020, the Group has exceptional reach in Continental Europe, including a leadership position in Germany, a strong footprint in the Nordics and unrivalled access to French banks and merchants, in addition to its established leadership positions in Benelux, Switzerland and Austria. The acquisition of Ingenico also enhanced Worldline's access to the US market and increased its exposure to merchants in Latin American and Asia-Pacific countries.

As at December 31, 2021 Worldline employed c. 17,000 staff worldwide (excluding c. 3,800 staff for TSS). In the year it generated total revenue of € 3.7 billion, OMDA of € 933 million and Free Cash Flow of € 407 million.

Worldline's vision is to enable sustainable economic growth and reinforce trust and security in our societies. Its Global Business Lines (GBLs) work together to drive transformation across the payments landscape to create sustainable value for its clients, investors, employees and for all its stakeholders.

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

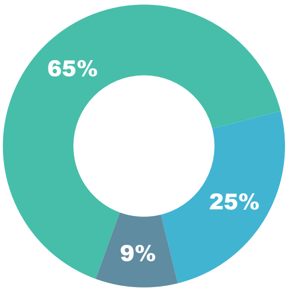
In addition, Worldline delivers world-class terminals solutions & services to banks & acquirers through the Terminals, Solutions & Services GBL. Focusing on offering new channels and customised software solutions suited to market needs, the GBL is enabling the ecosystem for the new world of payments acceptance, leveraging the Group's expertise in hardware, software and related services to transform the consumer experience. Following the strategic review of this activity, the Board of Directors decided to divest Terminals, Solutions & Services, so it can pursue an ambitious transformation strategy as a fully standalone independent business. In this context, the GBL is accounted for under IFRS 5 as discontinued operation.

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

A.2. Revenue profile

A.2.1. By Global Business Line

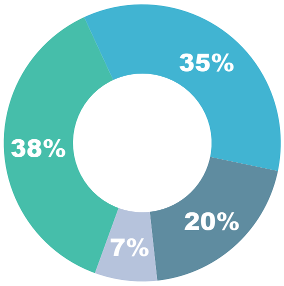
Following the acquisitions of SIX Payment Services end of 2018 and Ingenico end of 2020, Merchant Services is the largest Global Business Line of the Group, representing 65% of the Group 2021 revenue. 25% of the annual revenue was generated through Financial Services contracts, and 9% by Mobility & e-Transactional Services solutions.



(In € million)	**2021 revenue**
Merchant Services	2,416
Financial Services	927
Mobility & e-Transactional Services	347
Worldline	**3,689**

A.2.2. By Geographic areas

Europe is the Group's main operational base, generating more than 90% of total revenue in 2021.

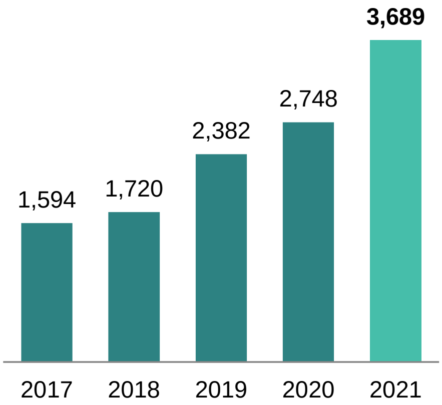


(In € million)	**2021 revenue**
Northern Europe	1,385
Central & Eastern Europe	1,297
Southern Europe	739
Others	269
Worldline	**3,689**

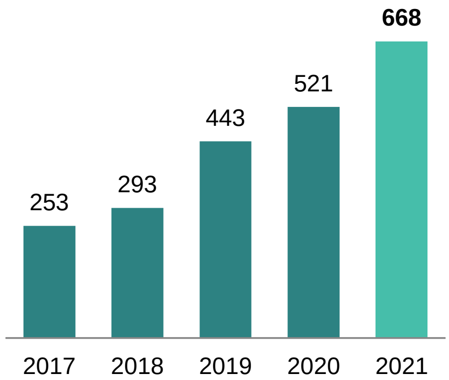
A.3. Worldline in 2021

A.3.1. Key graphs

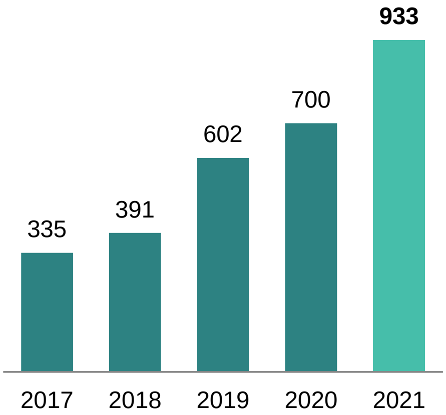
5-years revenue evolution
(in € million)



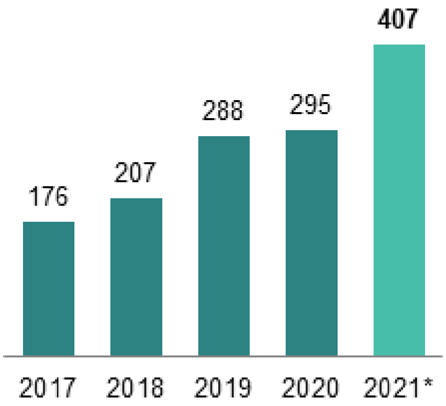
5-years operating margin evolution
(in € million)



5-years OMDA evolution
(in € million)

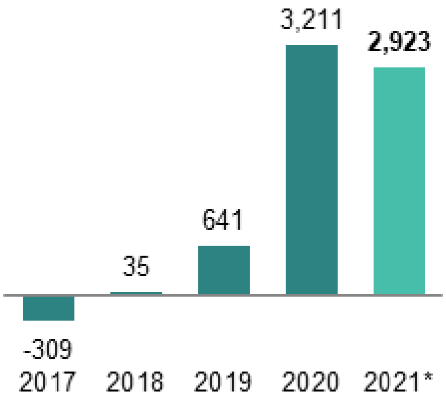


5-years free cash flow evolution
(in € million)



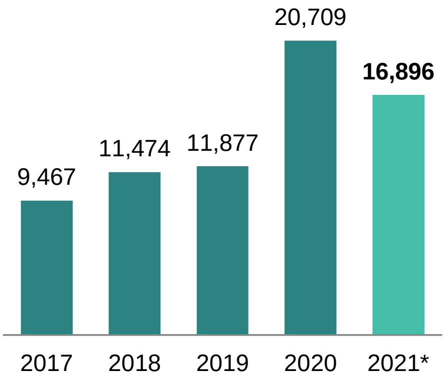
** from continued operations*

5-years net debt evolution
(in € million)



** before IFRS 5*

5-years employee evolution



** excluding 3 815 headcounts of TSS*

A.3.2. Key achievements in 2021

January

In recognition of its long-term commitment to exemplary managerial and people practices within the company, **Worldline is awarded the European Top Employer 2021 certification by the Top Employers Institute**. With local certifications in Belgium, Poland, Austria, Germany and the Netherlands, Worldline's certification as a European Top Employer reflects its rigorous efforts in deploying a responsible employer strategy. Being part of the community of European Top Employers will significantly enhance Worldline's visibility as an attractive company to work for.

Worldline partners with Gold Global SA to launch the "DaVinci Gold" token, a physical gold purchasing solution based on Worldline's new stablecoins infrastructure. The initiative allows consumers to buy, save and sell genuine physical gold coins or 24-carat hallmarked bullion in a simple and secure way. This strategic co-operation further expands the capability of Worldline's Digital Asset Management (DAM) platform and will assist towards fulfilling the company's goals to be at the forefront of stablecoins and blockchain technology.

As one of the founding members the European Digital Payments Industry Alliance (EDPIA), Worldline is committed to building support across Europe for the completion of the Digital Single Market for the benefit of consumers, businesses and the public sector. **EDPIA welcomes three new members**: *Aircash*, *Buckaroo* and *HiPay*, from Croatia, the Netherlands and France respectively. The expanded membership brings added strength and diversity to EDPIA's voice and contributes to the understanding and development of a vibrant European digital payments industry.

February

Worldline announces a strategic collaboration between its Ingenico brand and Klarna, a leading "Buy now, Pay later" payments and shopping service. The agreement sees Klarna included in the Worldline payment platform, and their online payment solutions being made available to Worldline's European merchants. Offering a broader choice of popular payment methods will help merchants increase their conversion rates, provide a better online shopping experience for consumers, and further Worldline's mission to support merchants on their way to efficient growth.

March

In its bid to remain the undisputed leader of CSR in the payments sector, **Worldline is proud to receive another first-class score in the 2021 evaluation by Gaïa Rating**, the extra-financial rating agency. According to Gaïa Rating's ESG (Environment, Social, Governance) evaluation, Worldline has improved its Corporate Social Responsibility performance by 6 points over the past three years (88/100 in 2021). Through these consistent improvements, Gaïa Rating places Worldline among the top five businesses in France, recognised for its responsible and sustainable practices.

Worldline supports PSA Payment Services Austria GmbH's quest to roll out one of the most advanced payment ecosystems in Europe. Worldline will act as PSA's technical clearing and settlement partner for domestic and international interbank payments in Austria, bringing to bear the expertise Worldline has gained from running several national clearing houses, including those in the Netherlands, Aruba and Curacao. Building on their long-standing collaboration of working together at the heart of Austria's payment system, PSA and Worldline are now laying the groundwork for a new real-time payment platform for instant, secure and device-independent payments across Austria.

May

Worldline acquires Cardlink, the leading network services provider in Greece. The acquisition of 92.5% of Cardlink, partnering with its CEO who retains 7.5% ownership, gives Worldline the strategic opportunity to expand its Merchant Services business in the promising Greek market with unique access to the leading local payment acceptance network. The new ownership will see Worldline serving approximately 243,000 merchants and managing 500 million transactions per year in Greece. The acquisition was completed in September 2021.

The 2021 Combined General Meeting of Worldline takes place, with shareholders participating remotely. In response to the exceptional context of the Covid-19 pandemic, meeting arrangements are adjusted to enable all shareholders to participate remotely in this key event in Worldline's corporate agenda.

June

Worldline demonstrates long-term commitment to Corporate Social Responsibility with the launch of TRUST 2025. The new ambitious five-year roadmap aims to deliver far-reaching transformation and acts as a catalyst for sustainable change. Building on the success of Worldline's previous TRUST 2020 programme, TRUST 2025 envisages actions to implement Worldline demonstrates long-term commitment to Corporate Social Responsibility with the launch of TRUST 2025. The new ambitious five-year roadmap aims to deliver far-reaching transformation and acts as a catalyst for sustainable change. Building on the success of Worldline's previous TRUST 2020 programme, TRUST 2025 envisages actions to implement Worldline's company purpose in practical terms. The new programme is also fully aligned with Worldline's overall strategy and addresses six major CSR challenges: business, employees, ethics, value chain, environment and local communities.

Worldline teams up with Microsoft to futureproof online businesses against fraud. The partnership will see the integration of Microsoft's Dynamics 365 Fraud Protection into Worldline's digital commerce payments suite. The specialised solution combines advanced adaptive AI (artificial intelligence) with a global fraud protection network spanning millions of users, to help businesses combat criminal and friendly fraud, while maximising profits.

Worldline intensifies its community engagement efforts by encouraging users to make donations via its payment solutions. Worldline's range of payment terminal solutions give consumers an easy and secure way of making donations and provide a valuable new income stream for community charities and organisations. In 2020, donations of more than €339 million were made using Worldline brand Ingenico's payment terminals. Worldline will encourage, facilitate and ensure the security of donations via its solutions, giving consumers the opportunity, as part of their day-to-day lives, to support projects that benefit the community as a whole.

Worldline launches full service omnichannel payments offering for hospitality industry. The WL Hospitality Suite will increase convenience and enhance the hotel experience for guests whilst improving user experience and efficiency for staff. The comprehensive offering, which includes a range of cloud-based payment capabilities integrated into hotels' property management systems, provides a single point of contact for all payment and integration services, creating a unique customer experience for their guests and staff.

July

Worldline secures a strategic partnership with BNL in merchant acquiring in Italy. The partnership with BNL banking group through the acquisition of 80% of Axepta Italy is a further significant development in Worldline's consolidation strategy, extending its Merchant Services activities in Southern Europe and offering attractive growth opportunities to distribute Worldline's payment products and services by leveraging BNL's network of customers. The acquisition was completed in January 2022.

Worldline announces the acquisition of Handelsbanken's card-acquiring activities in the Nordics. Combined with earlier acquisitions in the year of Cardlink (Greece) and Axepta (Italy), this latest acquisition gives Worldline unique Merchant Services scale and reach in the European acquiring and acceptance market. Handelsbanken serves over 20,000 merchants in the Nordic region, with a high-quality diversified merchant portfolio and a long-term merchant relationship with a leading Nordic bank. The acquisition was completed in October 2021.

September

Worldline unveils new brand identity – a clear focus on trust and sustainability for the future of payments. With its global footprint and dedication to reliability, innovation and sustainability, Worldline is focused on accelerating the development of a trusted payments industry and further shaping the future of payments in Europe. To reflect this, Worldline's brands will operate under one global Worldline brand – a renewed and distinctive identity that encapsulates the company's commitment to delivering trusted and sustainable solutions for the benefit of all its customers and the wider societies that it serves.

Worldline and Bitcoin Suisse launch WL Crypto Payments in Switzerland. 85,000 merchants in Switzerland can now offer omnichannel crypto payments through seamless integration in the Worldline payment infrastructure powered by Bitcoin Suisse, the Swiss market leader in crypto-financial services. Merchants in the Worldline network can let their customers pay in Bitcoin and Ether as easily as with other traditional payment options. The venture is another step in Worldline's mission to bring tangible value to merchants across the globe and to facilitate smooth and modern payments in all the markets it operates in.

October

Worldline shares its insights for Payments Experience trends in 2030 with publication of the "*Navigating Digital Payments*" report, outlining its vision for how payments may look in 2030, based on analysis and predictions of future payment trends. The study includes professional views from leading scientific experts who share their visions for the future of payments and anticipate key trends that will drive innovation in the sector.

Worldline partners with Livescale to boost the global adoption of 'live shopping' and 'in-video checkout'. Together Worldline and Livescale will offer an embedded commerce solution with seamless in-video checkout capabilities across social media and websites, which will support 150 online payment methods so shoppers can pay as they like. The partnership combines Livescale's embeddable Live Shopping software with Worldline's connected checkout functionality. The distinctive in-video check out feature allows consumers to complete the payment for their purchase seamlessly while staying in the live video experience and will increase transaction volumes and facilitate greater customer engagement.

Worldline presents its 2024 vision and its financial ambition for the 2022-2024 period at the occasion of an Investor Day held on October 27, 2021. Taking the full advantage of its European identity and associated competitive differentiators, the Group is committed to establish itself as a premium global Paytech. This three years vision reflects the Group unrivalled position, value proposition, scale and reach across the full payment value chain which has been achieved thanks to the successful transformation journey since IPO in 2014 with the creation of a real pan-European leader achieved with a solid growth creating sustainable value to all our stakeholders.

Leveraging the unique position created over the years at the heart of the European payment ecosystem, Worldline will rely in particular on the unique market positioning of its two main Global Business Lines while accelerating its investment in the Group technology stack to take advantage of the very favourable post-covid digital payment market.

The Group's single entry-point positioning for both merchants and banks, supported by its open-innovation expertise, will contribute alongside the multiple growth engines of Worldline to the acceleration of the organic growth of the Group towards the double-digit territory. Coupled with a strong operating leverage and the execution of all integration and synergy plans, it will boost Worldline's profitability to trend towards 30%. Being the leading European consolidator, Worldline will also keep a strong focus on M&A and growth-enhancing acquisition opportunities and leverage its recognized track-record and repeatable integration playbook.

November

Worldline is transforming how international online merchants do business in India, by offering a new full-service cross-border solution suite. Developed to suit the needs of businesses who are looking to expand or optimise their e-commerce in India, the new solution will introduce access to a suite of payment methods to global and cross-border merchants that cater fully to the needs and preferences of Indian consumers. Deploying its deep understanding of the Indian regulatory and payments environment and local consumer behaviour, this unique solution opens opportunities in the fast-growing Indian digital commerce space for international businesses.

December

Worldline's commitment and continuous efforts to tackle climate change are recognised with prestigious 'A' score by the global environmental reference ratings body CDP. This third assessment acknowledges Worldline's leadership actions to cut greenhouse gas emissions, mitigate climate risks and develop the low-carbon economy.

Worldline signs a strategic partnership with Eurobank in merchant acquiring in Greece. Eurobank is one of the main acquirers in Greece with a c. 20% market share and a portfolio of 123,000 directly owned merchants. The acquisition of 80% of Eurobank's Merchant Acquiring activities is supported by a long-term commercial partnership, giving Worldline a leading position in the dynamic Greek market with the opportunity for high growth from potential synergies, in particular from combining Eurobank Merchant Acquiring activities with the Cardlink acceptance network. The completion of the transaction is planned in Q2 2022.

B. FINANCIALS

B.1. Operational review

In 2021, while the Covid-19 pandemic continued to create uncertainty and pose challenges, Worldline confirmed the robustness of its business model, the dedication of its talented workforce and its ability to grow, innovate and create value for stakeholders. This was reflected in the remarkable, high-quality operational performance, ensuring full business continuity, and bringing to fruition a series of major projects across all our business lines.

As a result, Worldline's FY 2021 revenue reached € 3,689 million, representing a solid +6.8% revenue organic growth, compared to the objective to reach at least 6%. This achievement was reached thanks to the robust growth in Merchant Services and Financial Services Global Business Lines delivered despite Covid-19 and reflects both the widespread and rapid shift towards digital payments as well as the Group's strong positioning following the acquisition of Ingenico. Mobility & e-Transactional Services revenue also increased substantially thanks to several major projects and the recovery of the public transport sector.

This strong execution also materialized in the Group's Operating Margin before Depreciation and Amortization (OMDA) reaching € 933 million in 2021; representing 25.3% of revenue, an improvement by +220 basis points compared to 2020 at constant scope and exchange rates. This solid performance compared to the objective to deliver above 200 basis points of improvement reflects the revenue growth acceleration along the year as well as the ongoing transformation and synergy plans of the combined Group.

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

For the analysis of the Group's performance, revenue and Operating Margin before Depreciation and Amortization (OMDA) for 2021 are compared with 2020 revenue and OMDA at constant scope and exchange rates.

Reconciliation between the FY 2020 reported revenue and OMDA and the FY 2020 revenue and OMDA at constant scope and foreign exchange rates is presented below (per Global Business Lines):

	Revenue				
In € million	**FY 2020**	**Scope effects****	**TSS scope out ****	**Exchange rates effect**	**FY 2020***
Merchant Services	1,246	+992.2		-6.3	2,232
Terminals, Solutions & Services	274	+1,051.5	-1,325.2		0
Financial Services	904	-4.0		-0.8	899
Mobility & e-Transactional Services	325	+0.0		+0.6	325
Worldline	**2,748**	**+2,039.7**	**-1,325.2**	**-6.5**	**3,456**

	OMDA				
In € million	**FY 2020**	**Scope effects****	**TSS scope out ****	**Exchange rates effect**	**FY 2020***
Merchant Services	310	+222.9		-0.6	532
Terminals, Solutions & Services	89	+255.9	-344.5		0
Financial Services	282	+0.0		-0.7	281
Mobility & e-Transactional Services	48			+0.3	48
Corporate costs	-28	-34.2		+0.0	-62
Worldline	**700**	**+444.6**	**-344.5**	**-0.9**	**799**
OMDA %	***25.5%***				***23.1%***

** at constant scope and December 2021 exchange rates*
*** at December 2020 exchange rates and with TSS classified as discontinued operations in accordance with IFRS 5*

Over the year, compared to FY 2020, the Euro appreciation versus most of international currencies was partly offset by its depreciation versus the Turkish lira, as well as the Indian rupee and the Swiss franc to a lesser extent.

Scope effects are mostly related to the acquisitions of 2020 added in the comparative basis from January 1 to the consolidation date (Ingenico consolidated from November 1, 2020 and GoPay consolidated from October 1, 2020) as well as the acquisitions/disposals of 2021 added/removed in/from the 2020 comparative basis from the consolidation date (Handelsbanken and Cardlink consolidated from October 1, 2021 and the divestments following the clearance from the European Commission for the acquisition of Ingenico, deconsolidated from November 1, 2021).

B.1.2. Performance by Global Business Line

	Revenue			OMDA			OMDA %		
In € million	FY 2021	FY 2020*	*Organic change*	FY 2021	FY 2020*	*Organic change*	FY 2021	FY 2020*	*Organic change*
Merchant Services	2,416	2,232	*+8.2%*	629	532	*+18.3%*	*26.1%*	*23.8%*	*+220 bps*
Financial Services	927	899	*+3.1%*	291	281	*+3.5%*	*31.4%*	*31.3%*	*+15 bps*
Mobility & e-Transactional Services	347	325	*+6.8%*	52	48	*+8.2%*	*14.9%*	*14.7%*	*+20 bps*
Corporate costs				-39	-62	*-37.8%*	*-1.0%*	*-1.8%*	*+75 bps*
Worldline	**3,689**	**3,456**	***+6.8%***	**933**	**799**	***+16.8%***	***25.3%***	***23.1%***	***+220 bps***

* *at constant scope and exchange rates and with TSS presented as discontinued operations*

B.1.2.1. Merchant Services

Merchant Services' revenue in 2021 reached € 2,416 million, representing an organic growth by +8.2%, notably thanks to a very dynamic fourth quarter up by +15.1% organically. The growth was mainly led by:

- *Commercial Acquiring* which showed a progressive recovery over the year from a first quarter heavily impacted by a COVID-19 wave to a strong double-digit growth in Q4 for almost all geographies and customer segments with strong dynamics;
- *Payment Acceptance* also contributed to the growth of Merchant Services thanks to high single digit organic growth led by much stronger transactions volumes for large retailers and for e-commerce in verticals such as digital goods and services and on marketplaces and despite a lack of transaction volumes in some vertical such as travel and hospitality; and
- *Digital Services* reaching a low to mid-single digit growth over the year despite the global electronic component shortage impact in H2.

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

- In 2021, Worldline's acquiring merchant base experienced a steady growth with c. 120,000 new merchants onboarded on its platform, reaching 1.1 million merchants as of end of 2021 (excluding recent acquisitions). It represents a c. +12% increase over the year led by a strong dynamic in both instore (c. +10%) and online merchants count (c. +20%).
- Acquired MSV strongly accelerated since Q2 2021, reaching a double-digit growth rate versus 2019 during the second half of the year. Overall, Worldline's acquiring MSV in 2021 reached c. € 265 billion, up 11% versus 2020 and up 7% versus 2019 despite significant Covid-19 related lockdowns in H1 and restrictions in H2. This performance has been fuelled by market share gains in both instore (MSV c. +10%) and online (c. +30%).

All along the year, Worldline stood alongside the merchants to continue to accompany its clients to accelerate their digitization plans. It materialized in Q1 2021 with several wins and renewals such as the contract signed with Total. This client is one of the biggest petrol companies in continental Europe. Worldline has provided a competitive pricing for their transactions acquiring in European markets such as Benelux, France and Germany. Additionally, an enhanced and globalized reporting and system connectivity has been customized to answer client needs supported by the advanced Nexo integration.

The strong commercial activity in Q2 2021 notably materialized when the largest European direct distributor of frozen foods and ice cream, bofrost, chose Worldline to implement a user-friendly payment solution for the company direct sales channel, representing c.130 distribution drivers in Switzerland. Worldline will also ensure the deployment of a payment gateway and acquiring offering (Credit card processing for online ordering) for RezPlus, a Canadian online food ordering platform.

Still in Q2, Merchant Services continued to reinforce and enhance its offering portfolio, notably through the development of several partnerships such as with the International Air Transport Association (IATA) for which all of Worldline's payment capabilities and services being made available through the IATA Financial Gateway (IFG); with Microsoft to futureproof online businesses against fraud by integrating Dynamics 365 Fraud Protection into Worldline's digital commerce payments suite; and fintechs such as A3BC (Anything Anywhere Anytime Biometric Connection), to combine their patented solution (2FA and biometric protection) with Worldline Authentication.

In Q3 2021, Merchant Services' commercial activity materialized in the airline sector in particular with the signing of a contract with Fly Play Airline to deliver a full e-Com solution and with Porter Airlines to offer popular digital wallets, namely WeChat Pay and PayPal, for bookings through the airline's website. Worldline will also provide an online payment gateway to madeiramadeira (a Brazilian home goods company) managing all domestic cards schemes. In addition, after having been the payment facilitator partner of DNA Payments, a European payment provider based in the UK, Worldline will now support them for in-store acquiring. Finally, Worldline extended for 4 additional years an existing 10-year contract for the white label delivery of an acceptance gateway to a large financial institution in the UK.

During the last quarter of the year, commercial activity in Merchant Services has been strong with numerous wins for both upsell with existing clients and contracts with new large merchants, of which in particular:

- Market share gains with existing clients by upselling to new brands, new geographies, or new products: Aldi, Broderick's, Sephora, Intercontinental Hotels & Resorts, SB, L'Oreal Groupe, Fortech, asos, or Shein;
- Market share gains with large new clients for full-service and omnichannel solutions, Value Added Services, and Domestic corridors (Russia, South Korea, Latin America, etc.): Michel Reybier Hospitality, Motorola, The Kooples, Munich Airport, ivsgroup, Kilo.Health, dynadot, KOSTAD, or Festo.

In Q4, Worldline continued to play actively its orchestrator role of the payment industry with numerous partnerships signed such as Nordic NDC for online booking and payment technology for Travel SMBs, Livescale in live shopping and in-video checkout solutions, Chargebee for end-to-end payment managing subscription billing and recurring payments, with PMT solutions, a turn-key solution specialist for open & closed loop cashless services, and with Spreedly, an APIs driven solutions orchestration layer. More meaningfully, two partnerships set in Q4 illustrate very well the role of Worldline orchestration of the payment ecosystem, leveraging scale and reach:

- Apexx leverage Worldline' scale to access a large merchant base to provide at scale APEXX BNPL solution and enable WL e-Commerce merchants to access 12 BNPL solutions in over 40 markets globally through one consolidated API, leading to strong reduction in time-to-market and cost for merchants;
- as the 1st marketplace to offer European merchants access to the Russian market, Joom leverages Worldline's deep payment portfolio to support its expansion in the Russian market. The Worldline's Russian Payment Solution suite of products presents indeed an optimized choice of payment methods fitting perfectly with country's digital commerce and local payment means; enabling improved checkout conversion rates as well as customer engagement and loyalty.

Merchant Services' OMDA in 2021 amounted to € 629 million, 26.1% of revenue, representing an improvement by +220 basis points despite Covid-19 impact, in particular in H1. It was positively supported by:

- Acceleration of revenue growth fostering operating leverage;
- Synergies from Ingenico and SIX Payment Services integration programs; and
- The effects of transversal productivity improvement actions.

B.1.2.2. Financial Services

Financial Services continued to show regular growth improvements over the year and notably in Q4 2021 with +5.4% organic growth, pursuing the positive trend recorded in previous quarters. As a result, FY 2021 revenue reached € 927 million, +3.1% organically. The performance of each division continued to be contrasted. Notably, on the one hand:

- *Account Payments* remaining almost unaffected by the Covid-19 situation with a strong double-digit growth supported by increased volumes and ramp-up of contracts, in particular UniCredit; and
- As a result of changes in consumer behaviour triggered by Covid-19, authentication volumes related to e-commerce payment transactions and PSD2 strongly increased and supported revenue growth in the last months of the year. Higher transaction volumes were also processed on Worldline's e-brokerage platforms notably related the strong volatility on stock markets. Consequently, a strong double-digit growth was recorded in *Digital Banking*.

While on the other hand, revenue linked to card-based payment processing activities (*Issuing Processing* and *Acquiring Processing* altogether) decreased at a mid-single digit rate due to the pandemic's impact on transaction volumes, in particular in the first quarter of the year, as well as lower project activity and discretionary spending from banks.

Commercial activity of Financial Services in the first quarter was strong with contract gains and renewals such as Comdirect. Following many years of successful partnership, Worldline extended their existing service agreement with Comdirect, a Commerzbank AG brand. Worldline will process the bank's new Visa debit card via its API based WL Extended Issuing service. Within that agreement the existing debit cards are switched over to the new product. The service provides a cutting-edge customer experience and highest efficiency, delivering an optimum solution meeting banks' need to be able to react more rapidly and more effectively to market demand. The primary goal is to be able to offer cardholders an array of value-added services.

During Q2, among other commercial developments of Financial Services, Luminor Bank, the third largest financial services provider in the Baltics awarded Worldline with a five-year agreement under which Worldline will unify and upgrade Luminor's current ATM network. Partnering with Worldline will allow Luminor to offer a more customer-friendly and newer ATM network for its customers.

During the third quarter, Financial Services continued its commercial development with the signature of a long-term outsourcing contract with ABN AMRO to deliver a large part of Worldline's Financial Services portfolio, from Issuing and Acquiring Processing to Clearing & Settlement for Instant Payments and SEPA Credit Transfers as well as Digital Services.

Worldline also continued to enhance its fintech partners ecosystem with new partners such as A3BC, a French fintech venture, to combine its biometric digital ID and data storage protocol solution with Worldline Authentication solution to protect mobile phones from intrusion. Worldline also partners with ecolytiq, a Berlin-based fintech that offers a Sustainability-as-a-Service solution based on the use of payment transaction data to raise banking customers' awareness of their environmental footprint and encourage more sustainable behaviours.

During the fourth quarter, numerous Financial Services contracts were signed or renewed by Worldline, and in particular:

- Leveraging its deep long-term partnership with ING, a Global Financial Institution with a strong European base, Worldline will continue supporting ING in its ambition to empowering people to stay a step ahead in life and in business. In 2021 this has led to a prolongation of several partnerships across ING's network.
- As an extension of the already deep commercial relationship with PSA Payment Services Austria GmbH, Worldline continues supporting the client on its journey towards becoming a smart transaction provider well beyond payments. Through its products WL ID Center and WL Trusted Authentication as well as extensive experience in major infrastructure projects, Worldline is providing the technological basis of the new digital identity, a unique app called *ich.app*, which PSA will launch on the Austrian market in 2022. The foundation of the innovative ID solution, for all users, is their existing ID as a customer of an Austrian bank. *ich.app* will enable consumers to identify themselves easily and quickly with a variety of online retailers and service providers, as well as in many other circumstances, without the need to exchange any further data;
- Thanks to the long-established commercial relationship builds by eMTS with GIE SESAM Vitale, a major player in the digital transformation of the French healthcare sector, Worldline Financial Services entered in an innovation partnership to secure the digitalization of Carte Vitale on smartphones. The new Carte Vitale app will offer all insured persons the possibility for online identification, as well as authentication solutions. This enables them to access both the same services as with the physical Carte Vitale, and new online functions re-using *Digital Banking modules*; and,
- Central bank of Curacao and St Maarten. Finalization of implementation of the infrastructure for Instant Payments Instant allowing all interbank payments in and between Curaçao and Sint Maarten and in Bonaire to be processed within ten seconds, 24 hours a day and 365 days per year, based on the IP CSM, developed by Worldline, fully compliant with international standards and ISO 20022.

Financial Services remains the most profitable Business Line with slightly improving OMDA in 2021, reaching € 291 million, representing 31.4% of revenue. Being the Global Business Line with the highest proportion of fixed costs, the division was the most affected by volume decrease in the card payments divisions particularly in Q1 and by the effect of the price decrease conceded by the Group for the successful synchronous renewals of historical large contracts of Equens. In order to mitigate these effects, strong measures were taken in terms of cost base monitoring and workforce management.

B.1.2.3. Mobility & e-Transactional Services

Revenue in Mobility & e-Transactional Services reached € 347 million, up organically by +6.8%, with growth spread in each of the three divisions:

- *e-Ticketing*: double-digit growth driven by the robust pick-up in the transportation sector in Europe as well as higher fare collection in Latin America, coupled with several development projects in the UK and in France;
- *Trusted Digitization*: strong growth driven by higher volumes in Tax collection and digital healthcare in Latin America, new projects and improving volumes in France, growing project activity on e-archiving solutions in Germany, and new cash-to-invoice solutions sold in the Brexit context; and
- *e-Consumer & Mobility*: robust performance thanks to strong momentum in Connected Living & Mobility solutions and strong commercial dynamic for Contact solutions.

Commercial activity of Mobility & e-Transactional Services in Q1 has been strong with contract wins such as the « Grand Est » region in France where Worldline was selected to provide the latest e-ticketing generation platform. This solution will enable the harmonization of mobile ticketing assets and will facilitate intermodality between the various regional transport networks. In the long term, this ticket model could be used to access other services provided by the region and its partner cities such as e-administration or public services.

In Q2, Mobility & e-Transactional Services celebrated the success of its next-generation Cloud-based solution "Contact", supporting customer communications for over 100 European banks, handling more than 190,000 bank cards, and taking around 215,000 calls every month at the Worldline service centre.

The Q3 commercial activity was particularly strong with several contract renewals in the Transport/Ticketing sector such as with the Rail Safety & Standards Board in the UK. Worldline also renewed for 3 years its contract with Thalys consisting in delivering the on-board payment and control solution for train managers, including the upgrade to the latest payment solutions. Finally, answering post-Brexit customs challenges and with its Credit-as-a-Service (CaaS) solution, Worldline is contributing to the launch of a digital solution which will offer UK businesses an easy, cost-effective way to submit customs declarations for importing goods from the EU to Great Britain.

Commercial activity in Mobility & e-Transactional Services was strong in Q4, in particular as one of the largest multinational oil and gas company decided to reinforce its partnership with Worldline by signing a multi-year contract on fleet card's e-invoicing. Worldline Invoicing product allows the client to benefit from a secure solution that complies with the electronic signature, secure archiving, and tax regulations. Worldline has also sealed multi-year contracts with a large bank in Luxembourg and with the French branch of an international insurance company to set-up and operate omni-channel Contact Service Center using WL Contact. Operating in SaaS mode, this proven solution will handle all interactions with customers, through whichever access channel they choose to use.

Still in Q4, the IGN (Institut Géographique National) in France has chosen Worldline for building and managing the Geoplateforme for the next 6 years to allow citizens, companies, open source communities, and public organizations to load geographical data in real time, use API to transform this data, and finally use an as-a-Service orchestration system to facilitate cloud deployment. Worldline has also been chosen by AOK-Systems and the statutory health insurance funds it serves in Germany to operate in Worldline's secured data centres the secured solutions that connect customers and specific health applications such as electronic patient files.

Mobility & e-Transactional Services' OMDA reached € 52 million, representing 14.9% of revenue in 2021. The Business Line has been able to improve its profitability thanks to the positive revenue trend applied on fixed costs coupled with cost optimization plan addressing both fixed and variable costs.

B.1.2.4. Corporate costs

Corporate costs amounted to € 39 million in 2021, representing 1.0% of total Group revenue compared to 1.8% in 2020 at constant scope and exchange rates. This decrease by -37.8% is a concretization of the transversal productivity improvement programme but more importantly of the synergies with Ingenico generated at corporate level.

B.1.3. Human resources

Headcount evolution

The **total headcount** was **20,711** at the end of 2021, stable compared to the end of 2020. Following the Board of Directors decision to divest Terminals, Solutions & Services (TSS) and the accounting of the GBL under IFRS 5 as discontinued operation, the table below presents the number of Group headcount including TSS for each geography and the situation without TSS headcount.

Headcount movements by geography in 2021 are detailed herein below:

Headcount	Dec 2020	Scope effects	Hiring	Leavers	Dismiss / Restruc	Others *	Dec 2021	Changes	%	Dec 2021 excluding TSS
Southern Europe	5,761	103	667	-337	-79	-128	5,987	226	3.8%	5,289
Northern Europe	4,576	-47	512	-566	-17	-134	4,324	-252	-5.8%	3,911
Asia Pacific	4,380		805	-805	-299	-22	4,059	-321	-7.9%	2,461
Central & Eastern Europe	4,798	-12	721	-399	-40	-85	4,983	185	3.7%	4,804
Americas	1,194		508	-254	-36	-54	1,358	164	12.1%	431
Worldline	**20,709**	**44**	**3,213**	**-2,361**	**-471**	**-423**	**20,711**	**2**	**0.0%**	**16,896**

Of which TSS	Dec 2020	Dec 2021
Southern Europe	640	698
Northern Europe	481	413
Asia Pacific	1,917	1,598
Central & Eastern Europe	192	179
Americas	700	927
Worldline	**3,930**	**3,815**

B.2. 2022 objectives

2022 objectives are the following:

- Revenue organic growth: +8% to +10%
- OMDA margin: +100 to +150 basis points improvement vs. proforma 2021 OMDA margin of 25.0%
- Free cash flow: circa 45% OMDA conversion rate

The bottom of the 2022 objectives range factors localized and temporary Covid-19 constraints, limited recovery of international travel and limited delays on POS supply related to still ongoing components shortages.

B.3. 2024 ambition fully reiterated

The Group ambitions to deliver:

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

B.4. Financial review

B.4.1. Income statement

The Group reported a net loss (attributable to owners of the parent Worldline S.A.) of € 751.4 million for the full year 2021 (compared to a positive net income of € 163.7 million for the full year 2020). The normalized net income attributable to continued operations before unusual and infrequent items (net of tax) in 2021 was € 440.0 million, representing 11.9% of revenue compared to € 296.8 million in 2020.

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

In € million	12 months ended December 31, 2021	%	12 months ended December 31, 2020 (*)	%
Operating margin	**668.1**	**18.1%**	**444.4**	**18.0%**
Other operating income/(expenses)	-363.9		-243.2	
Operating income	**304.2**	**8.2%**	**201.2**	**8.2%**
Net financial income/(expenses)	-38.0		-26.6	
Tax charge	-64.0		-45.0	
Share of net profit/(loss) of associates	-1.1		-0.9	
Non-controlling interests and associates	-10.3		-1.4	
Net income - Attributable to continued operations	**191.1**	**5.2%**	**127.2**	**5.2%**
Net loss – Attributable to discontinued operations	-942.5		36.5	
Net loss – Attributable to owners of the parent	**-751.4**	**-20.4%**	**163.7**	**6.6%**
Normalized net income – Attributable to owners of the parent	**440.0**	**11.9%**	**296.8**	**12.1%**

** restated amounts in application of IFRS 5*

B.4.1.2. Operating Margin before Depreciation and Amortization

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

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)	Variation
Operating margin	**668.1**	**444.4**	**223.7**
+ Depreciation of fixed assets	242.1	164.7	77.4
+ Net book value of assets sold/written off	11.6	3.3	8.3
+/- Net charge/(release) of pension provisions	7.3	2.6	4.7
+/- Net charge/(release) of provisions	4.5	1.1	3.4
OMDA	**933.5**	**616.1**	**317.4**

** restated amounts in application of IFRS 5*

B.4.1.3. Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net cost € 363.9 million in 2021. The following table presents this amount by nature:

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Staff reorganization	-11.4	-11.0
Rationalization and associated costs	-26.7	-1.7
Integration and acquisition costs	-86.0	-105.0
Equity based compensation & associated costs	-51.5	-39.7
Customer relationships and patents amortization	-188.7	-93.6
Other items	0.4	7.8
Total	**-363.9**	**-243.2**

** restated amounts in application of IFRS 5*

Staff reorganization expenses of € 11.4 million increased by € 0.4 million compared to last year and corresponded mainly to the synergies and costs induced by the recent acquisitions.

The € 26.7 million of **rationalization and associated costs** resulted mainly from headquarters relocation.

Integration and acquisition costs reached € 86.0 million, mainly related to Ingenico integration and other recent acquisitions, decreasing by € 19 million compared to the prior period during which circa € 60 million costs were related to Ingenico acquisition.

The 2021 **customer relationships and patents amortization** of € 188.7 million corresponded mainly to:

- € 123.8 million of Ingenico customer relationships, technologies and patents;
- € 45.9 million of SIX Payment Services customer relationships, technologies and patents;
- € 8.3 million of equensWorldline customer relationships, technologies and patents.

B.4.1.4. Net financial expenses

Net financial expenses amounted to € 38.0 million for the period (compared to an expense of € 26.6 million in 2020) and were made up of:

- A net cost of financial debt of € 38.3 million (€ 20.3 million in 2020);
- A net non-operational financial income of € 0.3 million (€ -6.3 million in 2020).

Net cost of financial debt of € 38.3 million is mainly made up of interests linked to straight bonds (€ 28.6 million) and convertible bonds (€ 11,3 million). Variation compared to last year is explained by:

- The full year interest charge related to Ingenico convertible bond and straight bonds;
- The full year interest charge related to bonds and convertible bonds issued in 2020.

The net non-operational financial income of € 0.3 million was mainly composed of:

- Foreign exchange gain for € 2.5 million (€ -9.6 million in 2020);
- IFRS 16 impacts for an expense of € 4.9 million (€ 4.3 million in 2020);
- Pension financial costs for € 2.1 million (€ 1.0 million in 2020). 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 (cf. Note 11 “Pensions and similar benefits”);
- The recognition in the consolidated income statement of the variation of the fair value of the Visa preferred shares for a profit of € 8.0 million (€ 8.5 million in 2020);
- Other financial expenses mainly related to impairment on financial assets for € 2.0 million;
- Other financial income mainly related to revaluation of Partech FCPR contribution for € 2.4 million.

B.4.1.5. Corporate tax

The tax charge at the end of December 2021 was € 64.0 million for a profit before tax of € 266.2 million. The annualized Effective Tax Rate (ETR) was 24% (23.4% in 2020).

B.4.1.6. Non-controlling interests and associates

The non-controlling interests and associates at the end of December 2021 was € 10.3 million mainly related to the participation in Payone (full year basis in 2021), compared to € 1.4 million in 2020.

B.4.1.7. Normalized net income

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

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Net income - Attributable to owners of the parent (Continued)	**191.1**	**127.2**
Other operating income and expenses (Group share)	333.9	238.6
Tax impact on unusual items	-85.0	-69.0
Normalized net income - Attributable to owners of the parent	**440.0**	**296.8**

** restated amounts in application of IFRS 5*

B.4.1.8. Earnings per share

The weighted average number of shares amounts to 279,668,350 shares for the period. At the end of December 2021, potential dilutive instruments comprised stock options (equivalent to 893,243 options) and convertible bonds effect (equivalent to 12,775,380 options).

In € million	12 months ended December 31, 2021	%	12 months ended December 31, 2020 (*)	%
Net income - continued [a]	**191.1**	**5.2%**	**127.2**	**5.2%**
Diluted net income - continued [b]	**199.2**	**5.4%**	**132.7**	**5.2%**
Normalized net income - continued [c]	**440.0**	**11.9%**	**296.8**	**12.1%**
Normalized diluted net income - continued [d]	**448.1**	**12.1%**	**302.3**	**12.1%**
Average number of shares [e]	279,668,350		198,988,576	
Impact of dilutive instruments	13,668,623		8,892,321	
Diluted average number of shares [f]	293,336,973		207,880,896	
In €				
Basic EPS [a] / [e]	**0.68**		**0.64**	
Diluted EPS [b] / [f]	**0.68**		**0.64**	
Normalized basic EPS [c] / [e]	**1.57**		**1.49**	
Normalized diluted EPS [d] / [f]	**1.53**		**1.45**	

** restated amounts in application of IFRS 5*

B.4.2. Cash flow

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020
Operating Margin before Depreciation and Amortization (OMDA)	**933.5**	**699.9**
Capital expenditures	-225.6	-155.3
Lease expenditures (Lease under IFRS16)	-72.1	-47.6
Change in working capital requirement	62.1	46.0
Cash from operation	**697.9**	**543.0**
Taxes paid	-114.4	-93.1
Net cost of financial debt paid	-29.1	-12.1
Reorganization in other operating income	-15.5	-10.3
Rationalization & associated costs in other operating income	-7.6	-2.2
Integration and acquisition costs	-99.7	-103.5
Net Long term financial investments	-6.8	-1.6
Other changes	-17.7	-25.6
Free Cash Flow	**407.1**	**294.5**
Net material acquisitions	-315.5	-2,873.1
Capital increase	23.4	-4.3
Portion of convertible bonds in equity / debt	-11.3	77.4
Dividends paid	-21.0	
Other movements	-0.2	
Change in net cash/(debt)	**82.5**	**-2,505.5**
Opening net cash/(debt) before IFRS 5	**-3,211.3**	**-687.5**
Change in net cash/(debt)	82.5	-2,505.5
Change in net cash/(debt) discontinued	186.1	
Foreign exchange rate fluctuation on net cash/(debt)	20.0	-18.3
Closing net cash/(debt) before IFRS 5	**-2,922.7**	**-3,211.3**
Reclassification of cash and cash equivalents from discontinued operations	-202.9	
Closing net cash/(debt)	**-3,125.6**	**-3,211.3**

The information reported for the 12-months period ending on December 31, 2020 is based on historical published information. It includes the Ingenico scope for 2 months only. For the 12-months period ending on December 31, 2021 it includes 12-months of continued business from Ingenico scope.

Free cash flow represented the change in net cash or net debt, excluding equity changes, dividends paid, impact of foreign exchange rate fluctuations on opening net cash balance, and net acquisitions and disposals. For the continued operations the free cash flow reached € 407.1 million in 2021, compared to € 294.5 million in 2020 (which only comprises 2 months of Ingenico scope).

OMDA of € 933.5 million, reached 25.3% of revenue.

Capital expenditures amounted to € 225.6 million or 6.1% of revenue, in line with Group investment policy of 5-6% of revenue. The part related to investments in software platforms through capitalized costs, in connection with the modernization of proprietary technological platforms, amounted to € 113.1 million. Despite the Covid-19 situation, the level of expenditures remained strong.

The positive **change in working capital requirement** was € 62.1 million, in line with the improvement already recorded during the first semester of the year of € 57.9 million.

The Group may factor part of its account receivables in the normal course of its day-to-day treasury management. Amount of receivables factored as at December 31, 2021 is non-significant and in line with the level of December 31, 2020.

Cash-out related to **taxes paid** reached € 114.4 million.

Net outflow related to **cost of net debt** of € 29.1 million included the costs linked to the financing of the acquisition of Ingenico.

Cash outflow linked to **reorganization costs** and **rationalization costs** represented respectively € 15.5 million and € 7.6 million.

Integration costs of € 99.7 million mainly included costs linked to Ingenico integration and other recent acquisitions.

Net financial investments amounted to € 6.8 million.

The **net material acquisitions** represented mainly:

- the cash effects linked to the acquisition of Handelsbanken's card-acquiring activities;
- the net cash effects linked to the acquisition of Cardlink;
- an impact of the new valuation of put option on GoPay's minority interest;
- the partial collection linked to the disposal of customers portfolio in Belgium, Luxembourg and Austria in line with the commitment to the European Commission in the frame of Ingenico acquisition.

In 2021, the € 23.4 million **Capital increase** corresponded to the issuance of common stock following employees' exercise of stock options and the employees' shareholding plan ("Boost Plan").

Negative net cash effect of **convertible bonds** reached € 11.3 million, representing the equity component of the convertible bonds and related interests.

Foreign exchange rate fluctuation, which is determined on debt or cash exposure by country, had a positive impact of € 20.0 million.

B.4.3. Financing policy

Financing structure

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

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

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

On January 2021, following lender's approvals, an existing € 750 million revolving credit facility at the level of Ingenico Group SA (as borrower), maturing in July 2023 was amended and extended as follows: modification of the borrower which is now Worldline S.A., decrease of the amount from € 750 million to € 450 million, improved margin conditions and financial commitments/covenants, and maturity extended to January 2024.

The two abovementionned revolving credit facilities are available for general corporate purposes.

At December 31, 2021, no drawings were made on the Worldline € 600 million or the € 450 million revolving credit facilities.

Worldline has entered a "Negotiable European Commercial Papers" program (NEU CP) on April 12, 2019 to optimize its financial charges and improve Group's cash for a maximum initial amount of € 600 million increased to € 1,000 million in December 2021. On December 31, 2021, the outstanding amount of the program was € 604 million.

Ingenico had as well a "Negotiable European Commercial Papers" program (NEU CP) for a maximum amount of € 750 million. As the only issuer is now Worldline, this program was cancelled in Q2 2021.

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

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

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

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

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

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

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

- In September 2017, Ingenico has completed a bond issuance for an amount of € 600 million. The bond issue is due to mature in September 2024 and produces interest of 1.625% per year on the outstanding principal amount. An issuer substitution has been approved in a general meeting of the bonds holders held on May 2021, and Worldline S.A. is now the issuer of these bonds;
- In May 2018, Ingenico has entered into two Schuldschein for an amount of respectively € 25 million and € 30 million. The maturity of these Private Placements is May 2025 and they produce interest of 1.677% per year on their respective outstanding principal amounts. Following the signature in June 2021 of borrower substitution and amendment agreements with the lenders, Worldline has replaced Ingenico and is now the borrower; and
- In May 2014, Ingenico has issued a bonds for an amount of € 450 million bearing interest of 2,5% per year on the outstanding principal amount. The bond issue matured on May 20, 2021 and has been then repaid.

Investment grade rating

On September 4, 2019, Standard & Poor’s Global has assigned an “investment grade” BBB issuer credit rating to Worldline, with a stable outlook. This rating was affirmed on February 3, 2020 and on November 19, 2021, and Standard & Poor’s Global has affirmed a short-term A-2 credit rating as well to Worldline.

Investment policy

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

B.4.4. Restatement of comparative information

As mentioned in Note 3, the result and cash flows attributable to the Terminal, Software and Services (TSS) business are now classified as assets held for sale and presented separately as discontinued operations in the 2021 consolidated financial statements. In accordance with the provisions of IFRS 5, the comparative financial statements for the year 2020 have been restated accordingly. The impact of these restatements on the 2020 consolidated financial statements is presented below:

Restated consolidated income statement

	At December 31st, 2020		
(In € million)	**Reported**	**IFRS 5**	**Restated**
Revenue	**2,747.8**	**-285.2**	**2,462.6**
Personnel expenses	-949.5	52.0	-897.5
Operating expenses	-1,277.7	157.1	-1,120.6
Operating margin	**520.5**	**-76.1**	**444.4**
Other operating income and expenses	-275.6	32.4	-243.2
Operating income	**244.9**	**-43.7**	**201.2**
Financial expenses	-47.0	1.4	-45.7
Financial income	19.1		19.1
Net financial expenses	**-27.9**	**1.4**	**-26.6**
Net income before tax	**216.9**	**-42.3**	**174.6**
Tax charge	-50.8	5.8	-45.0
Share of net profit/(loss) of associates	-0.9		-0.9
Net income from continuing operations	165.1	-36.5	128.6
Net income from discontinued operations		36.5	36.5
Net income	**165.1**		**165.1**
Of which:			
- owners of the parent company of continuing operations	163.7	-36.5	127.2
- owners of the parent company of discontinued operations		36.5	36.5
- attributable to owners of the parent	**163.7**		**163.7**
- non-controlling interests in continuing operations	1.4		1.4
- non-controlling interests in discontinued operations			
- non-controlling interests	**1.4**		**1.4**
Weighted average number of shares	198,988,576		198,988,576
Basic earnings per share - attributable to owners of the parent in euros from continuing operations	0.82		0.64
Basic earnings per share - attributable to owners of the parent in euros from discontinued operations			0.18
Basic earnings per share (in €)	**0.82**		**0.82**
Diluted weighted average number of shares	207,880,896		207,880,896
Diluted earnings per share - attributable to owners of the parent from continuing operations	0.81		0.64
Diluted earnings per share - attributable to owners of the parent from discontinued operations			0.18
Diluted earnings per share (in €)	**0.81**		**0.81**

IFRS 5 restatement on 2020 consolidated income statement is related to 2 months of TSS scope coming from Ingenico perimeter and 12 months of Worldline Belgium terminals business.

Statement of comprehensive income attributable to discontinued “Terminal, Software & Services” activities

	At December 31st, 2020		
(In € million)	**Reported**	**IFRS 5**	**Restated**
Net income	**165.1**		**165.1**
Other comprehensive income			
- to be reclassified subsequently to profit / (loss) recyclable:	**-24.8**		**-24.8**
Cash flow hedging	2.3	1.7	0.6
Exchange differences on translation of foreign operations	-27.2	-6.2	-21.0
Deferred tax on items recyclable recognized directly on equity	0.0	-0.1	0.1
Recyclable items from discontinued operations		4.6	-4.6
- not reclassified to profit / (loss) non-recyclable:	**-28.3**		**-28.3**
Actuarial gains and (losses) generated in the period on defined benefit plan	-37.8		-37.8
Deferred tax on items non-recyclable recognized directly on equity	9.5	0.4	9.1
Non-recyclable items from discontinued operations		-0.4	0.4
Total other comprehensive income	**-53.1**		**-53.1**
Total comprehensive income for the period	**112.0**		**112.0**
Of which:			
- attributable to owners of the parent	**110.6**		**110.6**
- non-controlling interests	**1.4**		**1.4**

IFRS 5 restatement on 2020 consolidated income statement is related to 2 months of TSS scope coming from Ingenico perimeter and 12 months of Worldline Belgium terminals business.

B.5. Consolidated financial statements

B.5.1. Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2021

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

B.5.2. Consolidated Income Statement

(In € million)		**12 months ended December 31, 2021**	**12 months ended December 31, 2020 (*)**
Revenue	Note 4	**3,689.4**	**2,462.6**
Personnel expenses	Note 5	-1,249.5	-897.5
Operating expenses	Note 5	-1,771.9	-1,120.6
Operating margin		**668.1**	**444.4**
% of revenue		***18.1%***	***18.0%***
Other operating income and expenses	Note 6	-363.9	-243.2
Operating income		**304.2**	**201.2**
% of revenue		***8.2%***	***8.2%***
Financial expenses		-54.6	-45.7
Financial income		16.6	19.1
Net financial expenses	Note 7	**-38.0**	**-26.6**
Net income before tax		**266.2**	**174.6**
Tax charge	Note 8	-64.0	-45.0
Share of net profit/(loss) of associates		-1.1	-0.9
Net income from continuing operations		201.1	128.6
Net loss from discontinued operations		-942.5	36.5
Net loss		**-741.3**	**165.1**
Of which:			
- owners of the parent company of continuing operations		191.1	127.2
- owners of the parent company of discontinued operations		-942.5	36.5
- attributable to owners of the parent		**-751.4**	**163.7**
- non-controlling interests in continuing operations		10.3	1.4
- non-controlling interests in discontinued operations		-0.1	
- non-controlling interests	Note 13	**10.2**	**1.4**
Weighted average number of shares		279,668,350	198,988,576
Basic earnings per share - attributable to owners of the parent in euros from continuing operations		0.68	0.64
Basic earnings per share - attributable to owners of the parent in euros from discontinued operations		-3.37	0.18
Basic earnings per share *(in €)*	Note 13	**-2.69**	**0.82**
Diluted weighted average number of shares		293,336,973	207,880,896
Diluted earnings per share - attributable to owners of the parent from continuing operations		0.68	0.64
Diluted earnings per share - attributable to owners of the parent from discontinued operations		-3.21	0.18
Diluted earnings per share (in €)	Note 13	**-2.53**	**0.81**

** in application of IFRS 5, comparative data at 31 December 2020 has been restated due to the classification of the TSS business as "discontinued operations" (refer to Note 3)*

B.5.3. Consolidated statement of comprehensive income

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Net loss	**-741.3**	**165.1**
Other comprehensive income		
- to be reclassified subsequently to profit / (loss) recyclable:	**209.7**	**-24.8**
Cash flow hedging	-0.6	0.6
Exchange differences on translation of foreign operations	121.1	-21.0
Deferred tax on items recyclable recognized directly on equity		0.1
Recyclable items from discontinued operations	89.2	-4.6
- not reclassified to profit / (loss) non-recyclable:	**24.0**	**-28.3**
Actuarial gains and (losses) generated in the period on defined benefit plan	25.9	-37.8
Deferred tax on items non-recyclable recognized directly on equity	-5.3	9.1
Non-recyclable items from discontinued operations	3.5	0.4
Total other comprehensive income	**233.7**	**-53.1**
Total comprehensive income for the period	**-507.6**	**112.0**
Of which:		
- attributable to owners of the parent	**-519.0**	**110.6**
- non-controlling interests	**11.4**	**1.4**

** in application of IFRS 5, comparative data at 31 December 2020 has been restated due to the classification of the TSS business as "discontinued operations" (refer to Note 3)*

B.5.4. Consolidated statement of financial position

B.5.4.1. Assets

(In € million)		As at December 31, 2021	As at December 31, 2020 restated (*)
Goodwill	Note 9	9,329.6	11,137.0
Other Intangible assets	Note 9	2,305.4	3,231.7
Tangible assets	Note 9	194.1	236.4
Right-of-use	Note 10	280.1	292.8
Non-current financial assets	Note 7	131.1	118.9
Non-current financial instruments		0.0	1.4
Deferred tax assets	Note 8	39.0	90.6
Total non-current assets		**12,279.4**	**15,108.9**
Inventories	Note 5	42.1	131.4
Trade accounts and notes receivables	Note 4	680.5	870.1
Current taxes		27.6	40.7
Other current assets	Note 5	261.5	321.4
Assets linked to intermediation activities	Note 5	2,570.1	1,858.9
Current financial instruments		8.7	2.2
Cash and cash equivalents	Note 7	1,126.3	1,335.2
Total current assets		**4,716.9**	**4,559.9**
Assets classified as held for sale		**3,048.5**	
Total assets		**20,044.7**	**19,668.8**

** restatements are described in note 5.5*

B.5.4.2. Liabilities and shareholders' equity

(In € million)		As at December 31, 2021	As at December 31, 2020
Common stock		190.7	189.8
Additional paid-in capital		8,590.1	8,527.5
Consolidated retained earnings		834.6	627.6
Translation adjustments		180.3	-28.1
Net income attributable to the owners of the parent		-751.4	163.7
Equity attributable to the owners of the parent		9,044.0	9,480.6
Non-controlling interests	Note 13	871.0	904.6
Total shareholders' equity		**9,915.0**	**10,385.2**
Provisions for pensions and similar benefits	Note 11	227.2	247.3
Non-current provisions	Note 12	50.5	93.9
Borrowings	Note 7	3,509.7	3,508.7
Deferred tax liabilities	Note 8	568.1	674.1
Non-current lease liabilities	Note 10	253.9	236.5
Total non-current liabilities		**4,609.3**	**4,760.5**
Trade accounts and notes payables	Note 5	646.2	678.2
Current taxes		81.3	81.0
Current provisions	Note 12	19.1	19.0
Current financial instruments		1.6	4.4
Current portion of borrowings	Note 7	742.6	1,037.8
Liabilities linked to intermediation activities	Note 5	2,570.2	1,859.7
Current lease liabilities	Note 10	55.7	63.6
Other current liabilities	Note 5	508.8	779.4
Total current liabilities		**4,625.5**	**4,523.1**
Liabilities directly associated with assets classified as held for sale		**894.9**	
Total liabilities and shareholders' equity		**20,044.7**	**19,668.8**

B.5.5. Consolidated cash flow statement

(in EUR million)		12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Profit before tax		**266.2**	**174.6**
Depreciation of assets	Note 5.2	175.3	120.5
Depreciation of right-of-use	Note 5.2	66.8	47.1
Net charge / (release) to operating provisions		10.6	3.9
Net charge / (release) to financial provisions		4.6	3.4
Net charge / (release) to other operating provisions		13.9	-5.9
Impairment of long – term assets /Customer relationships amortization (PPA)	Note 6	188.7	93.6
Losses / (gains) on disposals of fixed assets		-0.7	3.5
Net charge for equity-based compensation		45.2	31.2
Losses / (gains) on financial instruments and other financial items		-4.9	-6.6
Net cost of financial debt	Note 7	38.3	20.2
Cash from operating activities before change in working capital requirement, financial interest and taxes		**804.0**	**485.5**
Taxes paid		-114.4	-75.0
Change in working capital requirement		62.1	-11.2
Net cash from (used in) operating activities from discontinued operations		230.4	112.0
Net cash from (used in) operating activities from continued operations		751.8	399.3
Net cash from/ (used in) operating activities		**982.2**	**511.3**
Payment for tangible and intangible assets		-225.6	-140.1
Proceeds from disposals of tangible and intangible assets		7.3	0.0
Net operating investments		**-218.3**	**-140.0**
Amounts paid/received for acquisitions and long-term investments	Note 1	-330.7	-1,664.7
Cash and cash equivalents of companies purchased during the period			551.5
Proceeds from disposals of financial investments		69.8	-1.7
Net long-term investments		**-261.0**	**-1,115.0**
Net cash from (used in) investing activities from discontinued operations		-58.4	108.8
Net cash from (used in) investing activities from continued operations		-479.3	-1,255.0
Net cash from/ (used in) investing activities		**-537.7**	**-1,146.2**
Capital Increase		20.7	
Common stock issues on the exercise of equity-based compensation		2.7	-4.3
in equity			84.8
in financial liability			774.4
Dividends paid to non controlling interests		-21.3	
New borrowings	Note 7.3	1,639.7	1,366.0
Lease payments & Interest		-72.1	-45.7
Repayment of long and medium-term borrowings	Note 7.3	-1,970.2	-703.5
Net cost of financial debt paid		-29.1	-3.7
Other flows related to financing activities		-4.6	-0.5
Net cash from (used in) financing activities from discontinued operations		-11.3	-2.0
Net cash from (used in) financing activities from continued operations		-434.2	1,467.7
Net cash from/ (used in) financing activities		**-445.5**	**1,465.7**
Increase/ (decrease) in net cash and cash equivalents		**-0.9**	**830.8**
Opening net cash and cash equivalents (**)		**1,242.4**	**429.8**
Increase/ (decrease) in net cash and cash equivalents	Note 7	-0.9	830.8
Impact of exchange rate fluctuations on cash and cash equivalents		20.0	-18.3
Cash and cash equivalents reclassified at end of period in "Assets held for sale"		-204.0	
Closing net cash and cash equivalents	**Note 7**	**1,057.3**	**1,242.4**

** in application of IFRS 5, comparative data at 31 December 2020 has been restated due to the classification of the TSS business as "discontinued operations" (refer to Note 3)*
*** restatements are described in note 5.5*

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

(in EUR million)	Number of shares at period-end *(in thousands)*	Common Stock	Additional paid-in capital	Retained earnings	Translation adjustments	Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
At January 1st, 2020	**182,764.5**	**124.3**	**2,542.8**	**244.0**	**-1.1**	**311.2**	**3,221.2**		**3,221.2**
* Common stock issued	690.9	0.5	3.8				4.3		4.3
* Ingenico acquisition	95,680.1	65.1	5,981.0				6,046.0	903.4	6,949.4
* Appropriation of prior period net income				311.2		-311.2			
* Equity-based compensation				33.6			33.6		33.6
* Convertible bonds equity split accounting				62.2			62.2		62.2
* Changes in Treasury stock				1.3			1.3		1.3
* Other				1.2			1.2		1.2
Transactions with owners	96,371.0	65.5	5,984.7	409.5		-311.2	6,148.6	903.4	7,052.0
* Net income						163.8	163.8	1.4	165.2
* Other comprehensive income				-26.0	-27.0		-53.0	-0.1	-53.1
Total comprehensive income for the period				-26.0	-27.0	163.8	110.8	1.2	112.0
At December 31st, 2020	**279,135.5**	**189.8**	**8,527.5**	**627.6**	**-28.1**	**163.7**	**9,480.6**	**904.6**	**10,385.2**
* Increase of capital	1,349.3	0.9	62.6	-40.6			22.9		22.9
* Appropriation of prior period net income				163.8		-163.8			
* Dividends paid to the shareholders								-9.8	-9.8
* Equity-based compensation				54.6			54.6		54.6
* Remeasurment effects of put option and earn out				-33.9			-33.9		-33.9
* Scope changes				35.3			35.3	-35.3	
* Changes in Treasury stock and others				6.4			6.4		6.4
* Other				-2.6			-2.6		-2.6
Transactions with owners	1,349.3	0.9	62.6	183.0		-163.8	82.7	-45.0	37.6
* Net income						-751.4	-751.4	10.2	-741.3
* Other comprehensive income				24.0	208.4		232.4	1.2	233.7
Total comprehensive income for the period				24.0	208.4	-751.4	-519.0	11.4	-507.6
At December 31st, 2021	**280,484.8**	**190.7**	**8,590.1**	**834.6**	**180.3**	**-751.4**	**9,044.0**	**871.0**	**9,915.0**

B.5.7. Appendices to the consolidated financial statements

B.5.7.1. General information

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

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

These consolidated financial statements were approved by the Board of Directors on February 21, 2022. The consolidated financial statements will then be submitted to the approval of the General Meeting of Shareholders scheduled to take place on June 9, 2022.

B.5.7.2. Accounting rules and policies

Basis of preparation of consolidated financial statements

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the consolidated financial statements for the twelve months ended December 31, 2021 have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union as at December 31, 2021. The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC). Accounting policies applied by the Group comply with those standards and interpretations.

As of January 1, 2021, the Group applied the following standards, interpretations and amendments that had no material impact on the Group financial statements:

- Amendments to IFRS9, IAS39, IFRS7 and IFRS16;
- Amendments to IFRS 16 Leases: Covid-19-Related Rent;
- Amendments to References to the conceptual framework in IFRS Standards;
- IAS 19 - Pension schemes;
- IAS 38 - Customer's Right to Receive Access to the Supplier's Software Hosted on the Cloud.

Changes in accounting policies

New IFRS standards, interpretations and amendments listed above did not have any impact on the Group Financial Statement as of December 31, 2021. The accounting policies applied in these 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, 2020.

Transaction of entities under common control

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

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions 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. The estimates, assumptions and judgments that may result in significant adjustments to the carrying amounts of assets and liabilities are related to:

- Goodwill impairment tests (see Note 9);
- Revenue recognition and associated costs on long-term contracts (see Note 4);
- Capitalization of development costs (see Note 9.2);
- Valuation of asset acquired and liability assumed in a business combination (see Note 1);
- Discontinued operations (Note 3);
- Presentation of assets and liabilities linked to intermediation activities (see Note 5).

Consideration of risks related to climate change

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

Since 2015, Worldline undertakes to transforming its value chain to reduce its environmental impact. In addition, the Group is committed to contributing to carbon neutrality through the reduction of energy consumption, the switch to renewable energy and to leverage responsible purchasing practices.

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

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

Consolidation methods

<u>Subsidiaries</u>

Subsidiaries are entities controlled directly or indirectly by the Group. The Group controls an entity when it has power over that entity, when it is exposed to variable benefits from that entity and, when due to its power over that entity, has the ability to influence the benefits that it draws from it. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidation from the date on which control ceases.

<u>Associates</u>

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

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

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

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

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

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

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

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

The Operating Margin before Depreciation and Amortization is based on Operating Margin minus items without impact on the cash flows from operations and excluding amortization and depreciation.

Gross operating profit also includes provisions for inventory write-downs, while depreciation of terminals is excluded.

Rounding

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

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

B.5.7.3. Notes to the consolidated financial statements

Note 1 Main changes in the scope of consolidation

Accounting policies/principles

Business combination

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

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

Valuation of assets acquired and liabilities assumed of newly acquired subsidiaries

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

The Group elected the option under IFRS 3 to measure non-controlling interest at fair value.

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

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

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

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

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

Ingenico acquisition and Goodwill update

In 2020, Worldline acquired 100% of Ingenico shares in three steps: 88,64% at the end of the first tender offer ended on October 28, 2020, residual shares were acquired during the re-opened period closed on November 17, 2020 and the squeeze out on November 19, 2020. Ingenico is fully consolidated since November 1, 2020.

Goodwill

(in € million)	Goodwill	
Total consideration transferred 31.12.2020	7,638.0	
Total Consideration	**7,638.0**	**a**
Equity acquired	-256.8	
Fair value adjustments net of deferred tax	909.8	
Opening Balance sheet adjustments	-47.1	
Fair value Oceane	-13.4	
Fair Value of net assets	**592.5**	**b**
Minority interests at fair value	903.3	**c**
Total 31.12.2020 - Preliminary Goodwill	**7,948.8**	**d= a-b+c**
Opening Balance sheet adjustments	**49.2**	**e**
Total 31.12.2021 - Final Goodwill	**7,998.0**	**f = d + e**

New information was obtained until the end of October 2021 (12 months after acquisition date) about facts and circumstances that existed at acquisition date and led to the adjustments to the opening balance sheet.

The allocation of the goodwill between the 2 GBL MS and TSS was performed by defining the value of each activity in the price consideration based on their standalone business plan and using a discounted cash flow (DCF) model.

The resulting allocation of goodwill at acquisition date leads to € 2,063 million for TSS and € 5,935 million for MS.

On February 18, 20200, Worldline has entered into exclusive talks with the Apollo Funds (NYSE : APO) on the basis of a binding offer for the purchase of 100% of the shares of TSS. It resulted in an impairment of TSS Goodwill of € 907.4 million in the FY 2021 accounts.

Increase in percentage of interests in Payone

On March 1, 2021, Worldline completed the contribution of its German and Austrian merchant services businesses to Payone and therefore increased from circa 52% to circa 60% its stake in Payone.

These internal contributions mechanically increase the percentage of interest of Worldline in the Payone Group and has as an accretive impact of € 35.3 million on the group portion of the equity coming against the non-controlling portion of the equity.

Activities held for sale

Significant accounting policies

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

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

- Property, plant and equipment and intangible assets are no longer depreciated once classified as held for sale.
- Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.
- Discontinued operations are excluded from the results of continuing operations and are presented as a single amount in profit or loss after tax from discontinued operations in the income statement.
- Additional information is presented in note 3. All other notes to the financial statements include amounts for continuing operations unless otherwise stated.

TSS Divestment

On September 25, 2021, the Board of Directors has validated the strategy to divest TSS (Terminals, Solutions & Services) segment, mainly consisting of Banks and Acquirers International Holding and its subsidiaries operating the Group's terminal business (design and sale of payment terminals and related services). The Board of Directors also considered that the disposal group met the criteria to be classified as held for sale for the following reasons:

- The TSS sub-group is available for immediate sale and can be sold to the buyer on its present terms;
- Actions to conclude the sale have been initiated and are expected to be completed within one year from the date of initial classification;
- The Board of Directors approved the sale plan on October 25, 2021.

Therefore, in accordance with IFRS 5, TSS is accounted for as held for sale as from September 25, 2021. Information related to TSS discontinued operation is presented in Note 3.

Note 2 Other significant events of the year

Impact of the Covid-19 pandemic on Worldline financial statements

Pandemic is one of the risks addressed by the Group Business Continuity Plans, which was activated as early as February 2020, resulting in a ramp up of the Group's remote working rate along the crisis development and the full compliance with the local regulatory requirements. These measures meet both objectives of protecting the health of the Group's employees and ensuring a continuous delivery of the Group's services.

In addition, Worldline's sales force remained in constant dialogue with its customers and in particular supported retailers for the need for click & collect capacity upgrades, offered temporarily support to merchants to gain longer-term customer engagements and promoted contactless payments and mobile POS systems.

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

Acquisition of Cardlink

In May 2021, Worldline announced its project to acquire Cardlink, the leading network services provider in Greece. The acquisition of 92.5% of Cardlink, partnering with its CEO who retains 7.5% ownership, gives Worldline the strategic opportunity to expand its Merchant Services business in the promising Greek market with unique access to the leading local payment acceptance network. The new ownership will see Worldline serving approximately 243,000 merchants and managing 500 million transactions per year in Greece. The acquisition was completed as of September 30, 2021.

(in € million)	**Goodwill**
Total consideration transferred	131.0
Remaining non controlling interests (7.5%)	10.6
Total consideration transferred	**141.6**
Equity acquired	-1.6
Fair value adjustments net of deferred tax	35.0
Fair value of net assets	**33.4**
Total 31.12.2021 - Preliminary Goodwill	**108.2**

Fair value adjustments mainly relate to the recognition of the following assets (net of deferred tax) in the frame of the purchase price allocation process:

- Customer relationships: € 32.5 million;
- Trademark: € 1.2 million;
- Technologies: € 1.4 million.

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

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

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

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

Acquisition of Handelsbanken's card-acquiring activities

In July 2021, Worldline announced its project to acquire Handelsbanken's card-acquiring activities in the Nordics. Combined with earlier acquisitions in the year of Cardlink (Greece) and Axepta (Italy), this latest acquisition will give Worldline unique Merchant Services scale and reach in the European acquiring and acceptance market. Handelsbanken serves over 20,000 merchants in the Nordic region, with a high-quality diversified merchant portfolio and a long-term merchant relationship with a leading Nordic bank.

Acquisition price was € 197.6 million. The asset purchase agreement was signed in October 2021. The transaction was qualified as an asset acquisition, as a result the assets acquired were recognized in the balance sheet at their fair value. The amortization period of these customer relationships is 11 years.

New Worldline Headquarter

In May 2021, Worldline signed a 9-years lease contract for its headquarter in La Defense (building Voltaire). The corresponding right-of-use and lease liability are amounting to € 38.4 million. The move from historical headquarters (Bezons and Grenelle) to Voltaire happened during the first weeks of December.

Note 3 Assets held for sale and discontinued operations

As indicated in note 1, Worldline considers that as of 28 September 2021 the conditions for the application of IFRS 5 have been met in relation to its proposed disposal of the Terminal, Software and Services ("TSS") business.

As a result, the assets of this business and the associated liabilities are presented separately from the Group's other assets and liabilities on specific lines in the statement of financial position as at 31 December 2021, without reclassification from the comparative statement of financial position as at 31 December 2020. They are measured at that date at the lower of their net book value and their fair value less costs to sell.

On February 18, 20200, Worldline has entered into exclusive talks with the Apollo Funds (NYSE : APO) on the basis of a binding offer for the purchase of 100% of the shares of TSS.

The completion of the transaction is subject to the approval of relevant regulatory authorities and is expected to close in the second half of 2022.

A loss of € 907.4 million has been recognized on the measurement of the fair value less costs to sell and a related tax expense of €145.1million.

The consideration includes preferred shares that could reach up to € 900 million depending on the future value creation of TSS.

The fair value at December 31, 2021 of the preferred shares has been evaluated at € 640 million using a Black and Scholes model. Upon closing of the transaction, the preferred shares will be accounted as financial assets at fair value through P&L, in accordance with IFRS 9.

- The net result of discontinued operations realised in 2021 is presented on a single line of the income statement for the year 2021, with restatement of the comparative year 2020, in accordance with IFRS 5. The scope of this disposal (TSS) mainly includes the sub-group formed by Banks and Acquirers International Holding and its subsidiaries (TSS segment), thus constituting a separate main line of business within the meaning of IFRS 5;
- Recyclable and non-recyclable items relating to discontinued operations are presented separately, on specific lines of the statement of comprehensive income as at 31 December 2021. Comparative data for the statement of comprehensive income at 31 December 2020 has also been restated in accordance with IFRS 5;
- Cash flows attributable to discontinued operations are presented separately.

Financial data relating to discontinued operations

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

3.1. Net income from discontinued operations

(In € million)	**12 months ended December 31, 2021**	**12 months ended December 31, 2020**
Revenue	**1,208.1**	**285.2**
Personnel expenses	-225.1	-52.0
Operating expenses	-689.0	-157.1
Operating margin	**293.9**	**76.1**
% of revenue	***24.3%***	***26.7%***
Other operating income and expenses	-1,041.8	-32.4
Operating income	**-747.9**	**43.7**
% of revenue	***-61.9%***	***15.3%***
Financial expenses	-7.2	-1.4
Financial income	6.9	
Net financial expenses	**-0.3**	**-1.4**
Net income before tax	**-748.2**	**42.3**
Tax charge	-194.2	-5.8
Net income	**-942.5**	**36.5**

In 2020, 12-months ended period includes only 2 months of TSS business coming from Ingenico acquisition and 12 months of TSS business coming from historical Worldline activities.

Regarding IFRS 5, amortization from TSS entities has been frozen by the end of September 2021 (€ 5.9 million).

In 2021, other operating income included:

- Impairment of Goodwill for an amount of € 907.4 million;
- Expenses in connection with the disposal of TSS for € 10.8 million;
- The tax charge includes € 145 million related to TSS contemplated disposal.

3.2. Assets and liabilities held for sale

Assets and liabilities held for sale are detailed as follows:

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

(In € million)	12 months ended December 31, 2021
Provisions for pensions and similar benefits	12.4
Non-current provisions	39.8
Borrowings	0.1
Deferred tax liabilities	204.6
Non-current lease liabilities	33.8
Total non-current liabilities	**290.8**
Trade accounts and notes payables	301.8
Current taxes	29.0
Current financial instruments	0.6
Current portion of borrowings	11.7
Other current liabilities	261.0
Total current liabilities	**604.1**
Total liabilities	**894.9**

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

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020
Net cash from / (used in) operating activities	**230.4**	**112.0**
Net cash from / (used in) investing activities	**-58.4**	**108.8**
Net cash from / (used in) financing activities	**-11.3**	**-2.0**
Impact of exchange rate fluctuations on cash and cash equivalents	8.3	-7.0
Cash flow attributable to TSS from discontinued activity	**169.0**	**211.8**

In 2020, 12-months ended period includes only 2 months of TSS business coming from Ingenico acquisition and 12 months of TSS business coming from historical Worldline activities.

Note 4 Revenue, segment information and trade accounts

Accounting policies/principles

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

Multiple arrangements services contracts

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

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

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

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

At a point of time versus over time recognition

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

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

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

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

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

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

The Group offers legal warranties in accordance with the laws and practices applicable in the different countries in which it operates. These warranties estimated costs are recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group also offers extended warranties of one to five years which are recorded as service warranties and recognized as specific performance obligations, to which the Group allocates part of the transaction price based on the relative individual selling price. The revenue is then recognized over time based on the time elapsed as from the end of the legal warranty.

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

Financing component

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

Contract costs – Costs to obtain and fulfil a contract

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

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

Variable remunerations

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

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

Principal versus agent

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

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

Balance sheet presentation

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

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

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

4.1. Segment information

Accounting policies/principles

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

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

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

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

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

Geography is not a managerial axis followed by the Group.

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

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

The operating segment information for the period was the following:

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	**Total Group**
12 months ended 31 December 2021				
Revenue by Global Business Lines	**2,415.5**	**926.5**	**347.3**	**3,689.4**
% of Group revenue	65.5%	25.1%	9.4%	**100.0%**
12 months ended 31 December 2020 (*)				
Revenue by Global Business Lines	**1,234.2**	**904.0**	**324.5**	**2,462.6**
% of Group revenue	50.1%	36.7%	13.2%	**100.0%**

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

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Global structures	**Total Group**
12 months ended 31 December 2021					
Operating Margin before Depreciation and Amortization (OMDA)	**629.3**	**290.9**	**51.8**	**-38.6**	**933.5**
% revenue	26.1%	31.4%	14.9%	-1.0%	**25.3%**
12 months ended 31 December 2020 (*)					
Operating Margin before Depreciation and Amortization (OMDA)	**314.6**	**281.7**	**47.6**	**-27.8**	**616.1**
% revenue	25.5%	31.2%	14.7%	-1.1%	25.0%

** restated amounts in application of IFRS 5*

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

(In € million)	**12 months ended December 31, 2021**	**12 months ended December 31, 2020 (*)**	**Variation**
Operating margin	**668.1**	**444.4**	**223.7**
+ Depreciation of fixed assets	242.1	164.7	77.4
+ Net book value of assets sold/written off	11.6	3.3	8.3
+/- Net charge/(release) of pension provisions	7.3	2.6	4.7
+/- Net charge/(release) of provisions	4.5	1.1	3.4
OMDA	**933.5**	**616.1**	**317.4**

** restated amounts in application of IFRS 5.*

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

(in € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Shared (*)	**Total Group**
As at December 31, 2021					
Total fixed assets by Global Business Lines	**10,284.0**	**1,645.5**	**105.7**	**74.0**	**12,109.2**
Goodwill	**8,061.3**	**1,241.9**	**26.3**		**9,329.6**
% of Group goodwill	86.4%	13.3%	0.3%		**77.0%**
Other intangible assets	**1,962.5**	**300.5**	**29.0**	**13.4**	**2,305.4**
Tangible assets	**116.0**	**28.1**	**20.0**	**30.0**	**194.1**
Right-of-Use	**144.2**	**75.0**	**30.4**	**30.5**	**280.1**

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

(in EUR million)	Merchant Services	Financial Services	Mobility & e-transactional services	Terminals, Solutions & Services	Shared (*)	Not allocated	**Total Group**
As at December 31, 2020							
Total fixed assets by Global Business Lines	**4,104.5**	**1,643.0**	**109.8**	**1,019.1**	**72.9**	**7,948.8**	**14,898.1**
Goodwill	**1,939.0**	**1,223.4**	**25.8**			**7,948.8**	**11,137.0**
% of Group goodwill	17.4%	11.0%	0.2%			71.4%	**100.0%**
Other intangible assets	**1,902.8**	**304.2**	**32.7**	**973.3**	**18.8**		**3,231.8**
Tangible assets	**129.0**	**37.5**	**3.1**	**21.3**	**45.5**		**236.4**
Right-of-Use	**133.7**	**77.9**	**48.2**	**24.5**	**8.6**		**292.9**

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

The geographical segment information for the period was the following:

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

(In € million)	Northern Europe (**)	Central & Eastern Europe	Southern Europe	Other	**Total Group**
12 months ended 31 December 2020 (*)					
External revenue by geographical area	**819.7**	**817.8**	**705.2**	**119.9**	**2,462.6**
% of Group revenue	33.3%	33.2%	28.6%	4.9%	100.0%

** restated amounts in application of IFRS 5*
*** including France for € 556.2 million (€ 495.5 million in 2020)*

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

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

Therefore, it is not relevant to present the non-current assets by geographical area.

4.2. Trade accounts and notes receivables

Accounting policies/principles

Trade accounts and notes receivable

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

(In € million)	**As at December 31, 2021**	**As at December 31, 2020**
Contract assets	235.3	235.5
Trade receivables	476.6	674.5
Expected credit losses allowance	-31.5	-39.8
Net asset value	**680.5**	**870.1**
Contract liabilities (*)	-135.4	-277.8
Net accounts receivable	**545.1**	**592.4**
Number of days sales outstanding (DSO)	**32**	**29**

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

Net accounts receivable represents 14.8% of 2021 revenue (12.4% at end of 2020).

2020 figures include TSS whereas 2021 only related to continued activities.

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

Ageing of past due receivables

(In € million)	As at December 31, 2021	As at December 31, 2020
0-30 days overdues	25.6	33.0
30-60 days overdues	7.5	15.9
60-90 days overdues	7.1	7.4
Beyond 90 days overdues	32.7	32.3
Total	**73.0**	**88.6**

Note 5 Operating items

5.1. Personnel expenses

(In € million)	12 months ended December 31, 2021	*% Revenue*	12 months ended December 31, 2020 (*)	*% Revenue*
Wages, salaries & social security charges	-1,227.5	*33.3%*	-885.2	*35.9%*
Tax, training, profit-sharing	-15.7	*0.4%*	-10.0	*0.4%*
Net (charge)/release to provisions for staff expenses	1.0	*0.0%*	-0.3	*0.0%*
Net (charge)/release to provisions for pensions and similar Benefits	-7.3	*0.2%*	-2.0	*0.1%*
Total	**-1,249.5**	***33.9%***	**-897.5**	***36.4%***

** restated amounts in application of IFRS 5.*

5.2. Non-personnel operating expenses

Glossary

Subcontracting costs direct

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

Scheme fees

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

Capitalized production costs

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

(In € million)	12 months ended December 31, 2021	*% Revenue*	12 months ended December 31, 2020 (*)	*% Revenue*
Subcontracting costs direct	-516.5	*-14.0%*	-361.9	*-14.7%*
Operating costs	-384.5	*-10.4%*	-280.8	*-11.4%*
Hardware and software purchase	-271.7	*-7.4%*	-115.2	*-4.7%*
Scheme fees	-380.8	*-10.3%*	-177.3	*-7.2%*
Maintenance costs	-70.7	*-1.9%*	-61.1	*-2.5%*
Subtotal expenses	**-1,624.2**	***-44.0%***	**-996.4**	***-40.5%***
Depreciation of assets	-242.1	*-6.6%*	-164.7	*-6.7%*
Net (charge)/release to provisions	-4.3	*-0.1%*	1.1	*0.0%*
Gains/(Losses) on disposal of assets	-7.7	*-0.2%*	-3.3	*-0.1%*
Trade Receivables write-off	-6.8	*-0.2%*	-5.7	*-0.2%*
Capitalized Production	113.2	*3.1%*	48.3	*2.0%*
Subtotal other expenses	**-147.7**	***-4.0%***	**-124.3**	***-5.0%***
Total	**-1,771.9**	***-48.0%***	**-1,120.6**	***-45.5%***

** restated amounts in application of IFRS 5*

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

5.3. Trade payables and note payables

(In € million)	As at December 31, 2021	As at December 31, 2020
Trade payables and note payables	646.2	678.2
Trade payables and note payables	**646.2**	**678.2**
Advance payments	-22.3	-24.8
Prepaid expenses	-66.2	-85.9
Net accounts payable	**557.7**	**567.5**
Number of days payable outstanding (DPO)	**80.0**	**63.0**

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

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

5.4. Other current assets and other current liabilities

Accounting policies/principles

Inventory

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

Current assets and current Liabilities

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

5.4.1. Inventories

(In € million)	As at December 31, 2021	As at December 31, 2020
Terminals & consumables	47.5	193.2
Allowances on inventories	-5.4	-61.8
Total	**42.1**	**131.4**

Over the period, the decrease of the inventories is mainly explained by the classification of TSS as discontinued operation.

5.4.2. Other current assets

(In € million)		As at December 31, 2021	As at December 31, 2020
State - VAT receivables		58.3	107.2
Prepaid expenses	Note 5.3	66.2	85.9
Other receivables & current assets		114.7	103.5
Advance payment	Note 5.3	22.3	24.8
Total		**261.5**	**321.4**

Over the period, the decrease of other current assets is mainly explained by the classification of TSS as discontinued operation.

5.4.3. Other current liabilities

(In € million)	As at December 31, 2021	As at December 31, 2020
Contract liability	135.4	277.8
Employee-related liabilities	163.0	211.8
Social security and other employee welfare liabilities	63.8	91.7
VAT payable	80.4	127.6
Other operating liabilities	66.3	70.6
Total	**508.8**	**779.4**

Other current liabilities are expected to be settled within one year, except for contract liability that is released over the arrangement of the corresponding contract.

5.5. Intermediation activities

Accounting policies/principles

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

The balance sheet distinguishes two types of assets:

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

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

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

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

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

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

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

(In € million)	As at December 31, 2021	As at December 31, 2020
Receivables linked to intermediation activities	816.9	787.5
Funds related to intermediation activities	1,753.2	1,071.4
Total assets linked to intermediation activities	**2,570.1**	**1,858.9**
Payables linked to intermediation activities	2,533.0	1,827.8
Credit facilities specific to intermediation activities	37.1	31.9
Total liabilities linked to intermediation activities	**2,570.2**	**1,859.7**

SIX Payment Services ("SPS") Austrian branch erroneously recognized a receivable linked to intermediation activities for € 46 million in its balance sheet prior to SPS acquisition by Worldline in 2018. This was identified by Worldline in 2021.

In accordance with IAS 8, Worldline 2020 opening balance sheet has been accordingly adjusted: the receivable has been derecognized and the goodwill adjusted accordingly since the former should not have been included in SPS net asset acquired in 2018. Consequently, the presentation of funds linked to intermediation activities and cash and cash equivalent items (excluding funds linked to intermediation activities classified within assets linked to intermediation activities) in the balance sheet has been adjusted as well.

This correction has no impact on the income statement or on the profit per share.

The adjustments resulting from the correction of the errors applied to the consolidated statements of financial position and statement of cash-flows on December 31, 2020, and January 1, 2020 are broken down as follows:

Consolidation of financial position – Historical (as published in 2020)

(In € million)	**As at December 31, 2020**	**As at December 31, 2019**
Goodwill	11,090.8	3,114.5
Total non-current assets	**15,062.7**	**4,636.2**
Assets linked to intermediation activities	1,858.9	1,053.4
Cash and cash equivalents	1,381.4	500.5
Total current assets	**4,606.1**	**2,239.7**
Total assets	**19,668.8**	**6,875.9**
Total shareholders' equity	**10,385.2**	**3,221.1**
Total non-current liabilities	**4,760.5**	**1,627.7**
Liabilities linked to intermediation activities	1,859.9	1,053.4
Total current liabilities	**4,523.1**	**2,027.1**
Total liabilities and shareholders' equity	**19,668.8**	**6,875.9**

Consolidation of financial position - Adjustments

(In € million)	**As at December 31, 2020**	**As at December 31, 2019**
Goodwill	46.2	46.2
Total non-current assets	**46.2**	**46.2**
Receivables linked to intermediation activities	-46.2	-46.2
Funds related to intermediation activities	46.2	46.2
Assets linked to intermediation activities	**0.0**	**0.0**
Cash and cash equivalents	-46.2	-46.2
Total current assets	**-46.2**	**-46.2**
Total assets	**0.0**	**0.0**
Total shareholders' equity	**0.0**	**0.0**
Total non-current liabilities	**0.0**	**0.0**
Liabilities linked to intermediation activities	0.0	0.0
Total current liabilities	**0.0**	**0.0**
Total liabilities and shareholders' equity	**0.0**	**0.0**

Consolidation of financial position – Revised

(In € million)	**As at December 31, 2020**	**As at December 31, 2019**
Goodwill	11,137.0	3,160.7
Total non-current assets	**15,108.9**	**4,682.4**
Assets linked to intermediation activities	1,858.9	1,053.4
Cash and cash equivalents	1,335.2	454.3
Total current assets	**4,559.9**	**2,193.5**
Total assets	**19,668.8**	**6,875.9**
Total shareholders' equity	**10,385.2**	**3,221.1**
Total non-current liabilities	**4,760.5**	**1,627.7**
Liabilities linked to intermediation activities	1,859.9	1,053.4
Total current liabilities	**4,523.1**	**2,027.1**
Total liabilities and shareholders' equity	**19,668.8**	**6,875.9**

Consolidated cash flow statement – Historical (as published in 2020)

(In € million)	**12 months ended December 31, 2020**	**12 months ended December 31, 2019**
Net cash from / (used in) operating activities	511.3	426.8
Net cash from / (used in) investing activities	-1,146.2	-119.3
Net cash from / (used in) financing activities	1,465.7	71.3
Increase / (decrease) in net cash and cash equivalents	**830.8**	**378.8**
Opening net cash and cash equivalents	**476.0**	**95.1**
Increase / (decrease) in net cash and cash equivalents	830.8	378.8
Impact of exchange rate fluctuations on cash and cash equivalents	-18.3	2.1
Closing net cash and cash equivalents	**1,288.6**	**476.0**

Consolidated cash flow statement – Adjustments

(In € million)	**12 months ended December 31, 2020**	**12 months ended December 31, 2019**
Net cash from / (used in) operating activities	0.0	0.0
Net cash from / (used in) investing activities	0.0	0.0
Net cash from / (used in) financing activities	0.0	0.0
Increase / (decrease) in net cash and cash equivalents	**0.0**	**0.0**
Opening net cash and cash equivalents	**-46.2**	**-46.2**
Increase / (decrease) in net cash and cash equivalents	0.0	0.0
Impact of exchange rate fluctuations on cash and cash equivalents	0.0	0.0
Closing net cash and cash equivalents	**-46.2**	**-46.2**

Consolidated cash flow statement - Revised

(In € million)	**12 months ended December 31, 2020**	**12 months ended December 31, 2019**
Net cash from / (used in) operating activities	511.3	426.8
Net cash from / (used in) investing activities	-1,146.2	-119.3
Net cash from / (used in) financing activities	1,465.7	71.3
Increase / (decrease) in net cash and cash equivalents	**830.8**	**378.8**
Opening net cash and cash equivalents	**429.8**	**48.9**
Increase / (decrease) in net cash and cash equivalents	830.8	378.8
Impact of exchange rate fluctuations on cash and cash equivalents	-18.3	2.1
Closing net cash and cash equivalents	**1,242.4**	**429.8**

Note 6 Other operating income and expenses

Accounting policies/principles

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

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

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

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

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

Equity-based compensation

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

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

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

(In € million)	**12 months ended December 31, 2021**	**12 months ended December 31, 2020 (*)**
Staff reorganization	-11.4	-11.0
Rationalization and associated costs	-26.7	-1.7
Integration and acquisition costs	-86.0	-105.0
Equity based compensation & associated costs	-51.5	-39.7
Customer relationships and patents amortization	-188.7	-93.6
Other items	0.4	7.8
Total	**-363.9**	**-243.2**

** restated amounts in application of IFRS 5*

Staff reorganization expenses of € 11.4 million increased by € 0.4 million compared to last year and corresponded mainly to the synergies and costs induced by the recent acquisitions.

The € 26.7 million of **rationalization and associated costs** resulted mainly from headquarters relocation.

Integration and acquisition costs reached € 86.0 million, mainly related to Ingenico integration and other recent acquisitions, decreasing by € 19 million compared to the prior period during which circa € 60 million costs were related to Ingenico acquisition.

The 2021 **customer relationships and patents amortization** of € 188.7 million corresponded mainly to:

- € 123.8 million of Ingenico customer relationships, technologies and patents;
- € 45.9 million of SIX Payment Services customer relationships, technologies and patents;
- € 8.3 million of equensWorldline customer relationships, technologies and patents.

6.1. Equity-based compensation

Equity-based compensation for € 51.5 million expenses in 2021 (€ 39.7 million in 2020) is mainly related to 2018, 2019, 2020 and 2021 free share plans, the 2018, 2019, 2020 and 2021 stock option plans, and some social charges linked to those plans.

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Free share plans	48.0	32.3
Stock option plans	2.0	1.7
Employee share purchase plans	0.5	2.6
Others	1.0	3.1
Total	**51.5**	**39.7**

** restated amounts in application of IFRS 5*

6.2. Performance share plans

Rules governing the performance shares plans are as follows:

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

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

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

For the 2018 and 2019 performance shares free allocation plans, the number of shares to be vested is subject to the achievement of internal and external performance conditions. If the target of one of the internal performance criteria is not reached at the end of the last year of the plan, this criterion would nevertheless be considered as achieved if the reached level is at least equel to 85% of the target; however the vesting of performance shares would then be lowered to 75% of the number of shares initially allocated.

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

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

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

The Group has implemented a new performance shares plan on May 27, 2021.

The plans impacting the 2021 charge for € 48 million are detailed as follows:

Grant Date	July 21, 2018	January 2, 2019	July 24, 2019	June 9, 2020	October 28, 2020	May 27, 2021
Number of shares granted	336,685	93,700	326,965	379,730	560,401	685 935 (**)
Share price at grant date (€)	51.10	41.62	65.65	67.60	62.14	77.81
Vesting Date(s)	July 20, 2021	March 31, 2022	July 24, 2022	June 9, 2023	June 11, 2023 + September 7, 2023 + October 16,	May 27, 2021
Expected Life	3 years	3 years	3 years	3 years	3 years (*)	3 years
Lock-up period	-	-	-	-	-	-
Risk free interest rate	-	-	-	-	-	-
Expected dividend yield	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Fair value of shares granted (in €)	**49.44**	**40.16**	**63.52**	**65.41**	**60.38**	**75.28**
Expense recognized in 2021 (in € million)	**4.8**	**1.3**	**8.1**	**7.0**	**7.0**	**5.8**

** considering the initial grant date of the 2020 Ingenico Performance Shares plans granted by Ingenico on June 11, 2020, September 7, 2020 and October 16, 2020 which are substituted by the 2020 Worldline Performance Shares plan granted on October 28, 2020*
*** this number includes 96,500 shares for TSS*

Below are listed the plans coming from Ingenico Acquisition from previous years:

Grant Date	Co Invest 2018	2018	2019
Number of shares granted	315,855	211,378	727,840
Share price at grant date (€)	63.64	63.64	63.64
Vesting Date(s)	May 16, 2021	May 16, 2021	June 11, 2022
Expected Life	3 years	3 years	3 years
Lock-up period	-	-	-
Risk free interest rate	-	-	-
Expected dividend yield	1.1%	1.1%	1.1%
Fair value of shares granted (in €)	**63.26**	**63.26**	**62.52**
Expense recognized in 2021 (in € million)	**1.4**	**0.2**	**12.1**

6.3. Stock option plans

Rules governing the stock options plans are as follows:

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

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

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

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

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

The exercise of the option is equity-settled.

The Group recognized a total expense of € 2.0 million on stock options detailed as follows:

Grant Date	**2021 Expense (in € million)**	**Number of options initially granted**	**Vesting Date**	**Number of options vested**
July 21, 2018	0.4	262,000	July 20, 2021	262,000.0
January 2, 2019	0.3	130,550	March 31, 2022	-
July 24, 2019	0.5	98,600	July 24, 2022	-
June 9, 2020	0.3	101,120	June 9, 2023	-
May 27, 2021	0.4	117,150	May 27, 2024	-
Total	**2.0**	**709,420**		**262,000**

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

Grant Date	**July 21, 2018**	**January 2, 2019**	**July 24, 2019**	**June 9, 2020**	**May 27, 2021**
Number of options granted	262,000	130,550	98,600	101,120	117,150
Share price at grant date (€)	51.1	41.6	65.7	67.6	77.8
Strike price (€)	52.9	46.7	66.8	69.7	81.4
Vesting date	July 20, 2021	March 31, 2022	July 24, 2022	June 9, 2023	May 27, 2024
Expected volatility	21%	25%	26%	24%	28%
Expected maturity of the plan	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	0.019%	-0.003%	-0.158%	-0.142%	-0.450%
Expected dividend yield	1.10%	1.10%	1.10%	1.10%	1.10%
Fair value of options granted (€)	**7.3**	**6.2**	**12.4**	**11.5**	**14.9**
Expense recognized in 2021 (in € million)	**0.4**	**0.3**	**0.5**	**0.3**	**0.4**

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

	12 months ended 31 December 2021		**12 months ended 31 December 2020**	
	Number of shares	**Weighted average strike price (in €)**	**Number of shares**	**Weighted average strike price (in €)**
Outstanding at the beginning of the year	**1,803,515**	**32.9**	**1,945,711**	**29.4**
Granted during the year	117,150	81.4	101,120	69.7
Forfeited during the year				
Exercised during the year	-91,775	22.2	-243,316	20.2
Outstanding at the end of the year	**1,828,890**	**36.5**	**1,803,515**	**32.9**
Exercisable at the end of the year, below year-end stock price (*)	**1,381,470**	**27.2**	**1,211,245**	**21.3**

** year-end stock price: € 49.01 at December 31, 2021 and € 79.10 at December 31, 2020*

Note 7 Financial items

7.1. Net Financial Result

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Interest expenses on bond loan	-28.6	-9.6
Interest charges long term debt	-2.7	-1.1
Interest expenses on convertible bonds	-11.3	-8.1
Net interest from cash and cash equivalents	1.9	-2.0
Others	2.4	0.5
Net interest expenses	**-38.3**	**-20.3**
Foreign exchange gain and losses, net	**2.5**	**-9.6**
Financial component of retirement expenses and the cost of other post-employment benefits	-2.1	-1.0
Variation of the fair value of the Visa preferred share	8.0	8.5
Financial interests on lease liability (IFRS 16)	-4.9	-4.3
Impairment on other financial assets	-2.0	-1.9
Other financial expenses	-3.3	-0.9
Other financial income	2.1	2.9
Other financial income and expenses, net	**-2.2**	**3.3**
Total	**-38.0**	**-26.6**

* *restated amounts in application of IFRS 5*

Net financial expenses amounted to € 38.0 million for the period (compared to an expense of € 26.6 million in 2020) and were made up of:

- A net cost of financial debt of € 38.3 million (€ 20.3 million in 2020); and
- A net non-operational financial income of € 0.3 million (€ -6.3 million in 2020).

Net cost of financial debt of € 38.3 million is mainly made up of interests linked to straight bonds (€ 28.6 million) and convertible bonds (€ 11,3 million). Variation compared to last year is explained by:

- The full year interest charge related to Ingenico convertible bond and straight bonds;
- The full year interest charge related to bonds and convertible bonds issued in 2020.

The net non-operational financial income of € 0.3 million was mainly composed of:

- Foreign exchange gain for € 2.5 million (€ -9.6 million in 2020);
- IFRS 16 impacts for an expense of € 4.9 million (€ 4.3 million in 2020);
- Pension financial costs for € 2.1 million (€ 1.0 million in 2020). 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 (cf. Note 11 "Pensions and similar benefits");
- The recognition in the consolidated income statement of the variation of the fair value of the Visa preferred shares for a profit of € 8.0 million (€ 8.5 million in 2020);
- Other financial expenses mainly related to impairment on financial assets for € 2.0 million;
- Other financial income mainly related to revaluation of Partech FCPR contribution for € 2.4 million.

7.2. Cash and cash equivalents

Accounting policies/principles

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

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

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

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

(In € million)	**As at December 31, 2021**	**As at December 31, 2020**
Cash and cash equivalents	1,126.3	1,333.8
Money market funds	0,0	1.4
Total cash and cash equivalents	**1,126.3**	**1,335.2**
Overdrafts	-69.0	-92.8
Total overdrafts and equivalents	**-69.0**	**-92.8**
Total net cash and cash equivalents	**1,057.3**	**1,242.4**

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

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

7.3. Non-current financial Assets

Accounting policies/principles

Investments in non-consolidated companies

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

Visa preferred shares

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

Embedded leases

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

(In € million)	As at December 31, 2021	As at December 31, 2020
Fair value of non-consolidated investments	115.6	100.9
Investments in associates	3.8	4.9
Other	11.7	13.1
Total	**131.1**	**118.9**

Non-consolidated investments mainly include Visa shares for € 94.6 million (€ 84.4 million in 2020). Fair value variation of non-consolidated investments is mainly linked to Visa preferred shares for € 10.2 million in 2021, including € 2.1 million of foreign exchange impact.

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

Other mainly related to deposit and embedded leases.

7.4. Borrowings

Accounting policies/principles

Borrowings

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

Debt issuance costs are amortized in financial expenses over the life of the loan through the use of amortized method with the effective interest method. The residual value of issuance costs for loans derecognized is fully expensed as soon as it is probable that the loan maturity is reduced, with respect to the intention to exercise the anticipated refund clause.

Bank overdrafts are recorded in the current portion of borrowings.

(In € million)	As at December 31, 2021			As at December 31, 2020		
	Current	Non-current	Total	Current	Non-current	Total
Overdrafts	69.0		69.0	92.8		92.8
Other borrowings	666.3	65.6	731.9	481.1	81.3	562.4
Convertible bonds		1,351.2	1,351.2		1,339.9	1,339.9
Bonds	7.3	2,092.9	2,100.2	463.9	2,087.5	2,551.4
Total borrowings	**742.6**	**3,509.7**	**4,252.3**	**1,037.8**	**3,508.7**	**4,546.5**

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

In 2021, put options for Go Pay (€ 59.2 million) and Cardlink (€10.6 million) are included in other borrowings. The fair value variation of the period is recognized in equity.

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

(In € million)	As at December 31, 2021	As at December 31, 2020
Opening net cash/(debt)	**-3,211.3**	**-687.5**
New borrowings: convertibles bonds & bonds	-1,639.7	-1,767.4
Business Combination	-20.6	-1,968.7
Other borrowings	-23.7	-310.0
Repayment of long and medium-term borrowings	1,970.2	640.5
Variance in net cash and cash equivalents	-0.9	830.8
Long and medium-term debt of companies sold during the period		85.5
Impact of exchange rate fluctuations on net long and medium-term debt	20.0	-18.3
Part of interest not paid on Bonds and convertible bonds	-16.8	-16.5
Other flows related to financing activities		0.2
Closing net cash/(debt) including net cash of TSS classified as held for sale	**-2,922.7**	**-3,211.3**
Net cash of TSS classified as held for sale	-202.9	
Closing net cash/(debt) excluding TSS classified as held for sale	**-3,125.6**	**-3,211.3**

The variation on new borrowings is mainly due to commercial papers (€ 1,636 million). Repayment of borrowings is related to commercial papers (€ 1,405 million) and the bonds issue repaid on May 2021 (€ 451 million).

7.4.2. Net Cash/(debt)

(In € million)	As at December 31, 2021	Net cash of TSS classified as held for sale	As at December 31, 2021 Net debt including Net cash of TSS classified as held for sale	As at December 31, 2020
Cash and cash equivalents	1,126.3	215.1	1,341.4	1,335.2
Borrowings	-3,509.7	-0.1	-3,509.8	-3,508.7
Current portion of borrowings	-742.6	-12.1	-754.7	-1,037.8
Total Net debt	**-3,125.6**	**202.9**	**-2,923.0**	**-3,211.3**

7.4.3. Bonds and convertible bonds follow up

Main characteristics	September 2017	July 2019	September 2019	June 2020	June 2020	July 2020	December 2020
	Straight bonds 7 years	**Convertible bond 7 years**	**Straight bonds 5 years**	**Straight bonds 3 years**	**Straight bonds 7 years**	**Convertible bond 5 years**	**Convertible bond 5.7 years**
Nature	Unsecured Fixed Rate Note	Oceane	Unsecured Fixed Rate Note	Unsecured Fixed Rate Note	Unsecured Fixed Rate Note	Oceane	Oceane
Issue date	September 2017	July 2019	September 2019	June 2020	June 2020	July 2020	December 2020 (*)
Maturity date	September 2024	July 2026	September 2024	June 2023	June 2027	July 2025	July 2026
Issue size (in M€)	**600**	**600**	**500**	**500.0**	**500.0**	**600.0**	**200.0**
Cash received (in M€)	**597**	**642**	**498**	**500**	**496**	**638**	**226**
Coupon	1.6%		0.3%	0.5%	0.9%		
Yield to maturity	1.7%	-1.1%	0.4%	0.5%	1.0%	-1.2%	-2.1%
Conversion exchange ratio	N/A	1 share per bond	N/A	N/A	N/A	1 share per bond	1 share per bond
Early redemption option	N/A	From July 2024 to the maturity date	N/A	N/A	N/A	From July 2023 to the maturity date	From July 2024 to the maturity date
Valuation methodology	Amortized cost (IFRS 9)	Split accounting (IAS 32)	Amortized cost (IFRS 9)	Amortized cost (IFRS 9)	Amortized cost (IFRS 9)	Split accounting (IAS 32)	Split accounting (IAS 32)
Fees (in M€)	**2.2**	**5.2**	**1.3**	**1.2**	**1.8**	**3.7**	**0.7**
Call option (in M€)		4.2				4.8	2.1
Debt component at inception (in M€)	595	555	496	498.4	494.6	578.6	195.5
Equity component at inception (in M€)		82.0				55.5	29.6
Effective interest rate (EIR)	1.8%	1.1%	0.4%	0.6%	1.0%	0.7%	0.4%

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

Comparison between carrying value and fair value of borrowings is presented below:

(In € million)	Carrying value	Fair value
Convertible bonds (*)	1,351.2	1,538.4
Straight bond	2,092.9	2,148.8
Total borrowings	**3,444.1**	**3,687.3**

** fair value of convertible bonds includes both the liability component and the equity component*

7.4.4. Borrowings in currencies

(In € million)	EUR	USD	Other currencies	Total
December 31, 2021	4,252.3			**4,252.3**
December 31, 2020	4,521.1	23.2	2.2	**4,546.5**

7.4.5. Non-current borrowings maturity

(In € million)	2023	2024	2025	2026	>2026	Total
Convertible bonds			584.8	766.4		1,351.2
Bonds	499.2	1,097.9			495.8	2,092.9
Other borrowings			55.0	10.6		65.6
As at December 31st, 2021 long-term debt	**499.2**	**1,097.9**	**639.8**	**777.0**	**495.8**	**3,509.7**

(In € million)	2022	2023	2024	2025	>2025	Total
Convertible bonds				580.6	759.3	1,339.9
Bonds		498.7	1,093.8		495.0	2,087.5
Other borrowings	26.1			55.3		81.3
As at December 31st, 2020 long-term debt	**26.1**	**498.7**	**1,093.8**	**635.9**	**1,254.3**	**3,508.7**

Derivative financial instruments

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

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

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

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

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

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

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

Cash flow hedges

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

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

Fair value hedges

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

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

Fair value of derivative instruments at the reporting date

(In € million)	As at December 31, 2021	As at December 31, 2020
Interest rate derivative instruments		
Current assets	0.0	1.4
Current liabilities	0.0	0.0
Foreign exchange derivative instruments		
Current assets	8.7	2.2
Current liabilities	-1.6	-4.4
Total	**7.1**	**-0.8**

Breakdown of instruments by hedging policy

(In € million)	As at December 31, 2021	As at December 31, 2020
Instruments designated as cash flow hedges		
Foreign exchange forward contracts	4.3	0.5
Foreign exchange swap	-0.2	0.2
Instruments not designated as cash flow hedges		
Foreign exchange forward contracts	-0.1	-0.1
Foreign exchange swap	4.5	-2.8
Interest rate swaps	-1.4	1.4
Total	**7.1**	**-0.8**

Foreign exchange risk

The majority of the Group's revenue, expenses and obligations are denominated in euro. In 2021, 73.5% of the Group's revenue was generated in euro-zone countries whereas 26.5% was generated in non-euro zone countries, including 10.5% in Swiss francs, 3.2% in pounds sterling, and 2,5% in Indian rupee.

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

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

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

Interest rate risk

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

On January 2021, following lender's approvals, an existing € 750 million revolving credit facility at the level of Ingenico S.A. (as borrower) maturing in July 2023 was amended as follows: modification of the borrower which is now Worldline S.A., decrease of the amount from € 750 million to € 450 million, updated margin conditions and financial commitments ("covenants"), extension of the maturity to January 2024.

At December 31, 2021, no drawings were made on either the € 600 million or the € 450 million revolving credit facilities.

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

Worldline has entered a “Negotiable European Commercial Papers” program (NEU CP) on April 12, 2019 to optimize its financial charges and improve Group’s cash for a maximum initial amount of € 600 million increased to € 1,000 million in December 2020. On December 31, 2021, the outstanding amount of the program was € 604 million.

Ingenico had as well a “Negotiable European Commercial Papers” program (NEU CP) for a maximum amount of € 750 million. As the only issuer is now Worldline, this program was cancelled in Q2 2021.

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

In 2014, Ingenico put in place an interest rate swap for 50% of the nominal value of the bond issued in 2014, or € 225 million, with a 7-year life. This swap turns the Group’s fixed-rate exposure into variable-rate exposure. This interest rate swap has matured on May 2021.

Liquidity risk

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

The Group has an investment grade credit rating from Standard & Poor’s Global Ratings (BBB with stable outlook), a testament to the strength of the Group’s business model and its balance sheet.

The Group considers that managing liquidity risk depends primarily on having access to diversified sources of financing in terms of origin and maturity. This approach represents the basis of the Group’s financing policy.

Credit and/or counterparty risk

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

The Group is also exposed to some credit risk in connection with its merchant acquiring activities.

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

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

Note 8 Income tax

Accounting policies/principles

Current and deferred taxes

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

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

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

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

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

Measurement of recognized tax loss carry-forwards

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

IFRIC 23

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

8.1. Current and deferred taxes

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Current taxes	-113.3	-78.5
Deferred taxes	49.3	33.5
Total	**-64.0**	**-45.0**

** restated amounts in application of IFRS 5*

8.2. Effective tax rate

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

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020 (*)
Profit before tax	266.2	174.5
French standard tax rate	28.4%	32.0%
Theoretical tax charge at French standard rate	**-75.6**	**-55.9**
Impact of permanent differences	-0.2	8.8
Differences in foreign tax rates	9.3	21.4
Movement on recognition of deferred tax assets	13.1	1.0
Equity-based compensation	-12.7	-9.8
Change in deferred tax rates	-0.5	-5.5
Withholding taxes	-2.7	-2.2
CVAE net of tax		-3.5
Other	5.3	0.7
Group tax expense	**-64.0**	**-45.0**
Effective tax rate	**24.0%**	**25.8%**

** restated amounts in application of IFRS 5*

Other differences include 2020 full year tax true up leading to a tax income of € 5,3 million in 2021.

8.3. Deferred taxes

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020
Deferred tax assets	39.0	90.6
Deferred tax liabilities	568.1	674.1
Net deferred tax	**-529.1**	**-583.5**

8.4. Breakdown of deferred tax assets and liabilities by nature

(In € million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
As at December 31, 2019	**24.5**	**-199.9**	**-46.0**	**39.5**	**2.0**	**-180.0**
Charge to profit or loss for the year	18.0	31.5	8.3	0.1	-22.3	35.5
Change of scope	25.9	-509.0	-2.6	0.1	50.9	-434.7
Charge to equity	0.0	0.0	0.7	6.9	-16.5	-8.9
Reclassification	-0.6	-1.6	1.8	-1.2	7.3	5.8
Exchange differences	0.0	-0.3	-0.2	-0.9	0.1	-1.2
As at December 31, 2020	**67.7**	**-679.3**	**-38.1**	**44.5**	**21.7**	**-583.5**
Charge to profit or loss for the year	-6.9	68.0	-1.0	1.1	-0.7	60.5
Change of scope		-5.4		-1.9	5.9	-1.4
Charge to equity	-6.5			-2.2	5.4	-3.3
Reclassification	2.2	5.9	0.3		-11.8	-3.4
Exchange differences	0.4	-3.4	0.1	0.1	-7.9	-10.7
Other					-145.1	-145.1
IFRS 5 (*)	-6.0	196.3	2.3	-4.8	-30.0	157.8
As at December 31, 2021	**50.9**	**-417.9**	**-36.4**	**36.8**	**-162.5**	**-529.1**

** restated amounts in application of IFRS 5*

In 2021, other related to deferred tax liabilities linked to the sale of TSS business.

8.5. Tax losses carry forward schedule (basis)

(In € million)	12 months ended December 31, 2021			12 months ended 31 December 2020		
	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
2022	0.20	28.20	28.40	8.70	0.30	9.00
2023	0.10	9.20	9.30	23.10	8.70	31.80
2024					0.90	0.90
2025	19.60	13.90	33.50		0.90	0.90
2026						
Tax losses available for carry forward for 5 years and more	33.5	104.3	137.8	60.2	94.5	154.7
Ordinary tax losses carry forward	**53.4**	**155.6**	**209.0**	**92.0**	**105.3**	**197.3**
Evergreen tax losses carry forward	**188.3**	**100.6**	**288.9**	**170.0**	**46.2**	**216.2**
IFRS 5	**-14.8**	**-125.0**	**-139.8**			
Total tax losses carry forward	**226.9**	**131.2**	**358.1**	**262.0**	**151.5**	**413.5**

Countries with the largest tax losses available for carry forward are Luxembourg (€ 119.9 millions), France (€ 104.4 millions), Brazil (€ 73.2 millions), Sweden (€ 49.9 millions), China (€ 46 millions), India (€ 24.4 millions) and Spain (€ 21.7 millions).

8.6. Deferred tax assets not recognized by the Group

(In € million)	12 months ended December 31, 2021	12 months ended December 31, 2020
Tax losses carry forward	36.4	39.9
Temporary differences	18.3	16.3
Total	**54.7**	**56.2**

Note 9 Goodwill and fixed assets

9.1. Goodwill

Accounting policies/principles

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

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

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

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

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

Goodwill is not amortized and is subject to an impairment test performed at least annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest 3-year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable.

- Such events and circumstances include but are not limited to:
- Significant deviance of economic performance of the asset when compared with budget;
- Significant worsening of the asset's economic environment;
- Loss of a major client;
- Significant increase in interest rates.

Impairment tests:

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

(In € million)	As at December 31, 2020	Disposals Depreciations	Impact of business combination	Exchange rate fluctuations	TSS classified as held for sale	As at December 31, 2021
Gross value	11,137.9	-1.6	157.6	159.7	-2,122.3	**9,331.3**
Impairment loss	-0.9	-0.8	0.0	0.0	0.0	**-1.7**
Carrying amount	**11,137.0**	**-2.4**	**157.6**	**159.7**	**-2,122.3**	**9,329.6**

(In € million)	As at December 31, 2019	Disposals Deprecia-tions	Impact of business combi-nation	Exchange rate fluctuations	As at December 31, 2020
Gross value	3,161.3		7,984.7	-8.0	11,137.9
Impairment loss	-0.6			-0.3	**-0.9**
Carrying amount	**3,160.7**		**7,984.7**	**-8.3**	**11,137.0**

Evolution of the year is mainly related to preliminary goodwill accounted for Cardlink (€ 108.2 million) and final goodwill variation related to Ingenico acquisition (€ 49.3 million).

TSS is classified as held for sale as described in notes 1 and 3, and accordingly the goodwill allocated to TSS is presented in the line assets classified as held of sale in 2021.

Opening 2020 figures have been corrected for an amount € 46.2 million (further details in note 5.5 Intermediation activities).

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

(In € million)	As at December 31, 2021	As at December 31, 2020
Merchant Services	8,061.3	1,939.0
Financial Services	1,242.0	1,223.4
Mobility & e-transactional services	26.3	25.8
Not allocated (*)	0.0	7,948.8
Total	**9,329.6**	**11,137.0**

** not allocated assets correspond to the residual goodwill linked to the acquisition of Ingenico in 2020*

The recoverable amount of a CGU is based on the following assumptions:

- Terminal value is calculated after the five-year period, using an estimated perpetuity growth rate of 2.5%. This rate reflects specific perspectives of the payment sector, and;
- Discount rates are applied by CGU based on the Group's weighted average cost of capital and adjusted to take into account specific tax rates. The Group considers that the weighted average cost of capital should be determined based on a historical equity risk premium, in order to reflect the long-term assumptions factored in the impairment tests.

The discount rate of 8.15% is used for all continued CGUs (Merchant Services, Financial Services and Mobility & e-Transactional Services).

On the basis of impairment tests carried at year end, no loss of value has been identified as at December 31, 2021.

A varying plus or minus 50 basis points of the key parameters (operating margin, discount rates and perpetual growth rate) did not reveal the existence of any risk on the Group's CGUs.

9.2. Intangible assets

Accounting policies/principles

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

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

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

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

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

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

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

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

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

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

Impairment of assets other than goodwill

At the end of each reporting period of the financial information, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. This is also applied to R&D costs capitalized. If it is not possible to assess the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent method of allocation can be identified, corporate assets are also allocated to cash-generating units individually; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation method can be determined. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the estimated recoverable amount (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

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

(In € million)	Software & Licenses	Customer Relation-ships/ Patent	Other assets	Total
Gross value				
At January 1st, 2020	**798.6**	**626.3**	**39.7**	**1,464.7**
Additions	28.4	0.0	2.9	31.3
R&D capitalized	59.7	0.0	0.0	59.7
Impact of business combination	772.0	1,519.5	36.2	2,327.6
Disposals	-18.6	0.0	-0.4	-19.0
Exchange differences	-2.3	-1.8	-0.6	-4.7
Other	1.9	0.0	-2.4	-0.6
At December 31th, 2020	**1,639.7**	**2,143.9**	**75.4**	**3,859.1**
Accumulated depreciation				
At January 1st, 2020	**-239.3**	**-148.8**	**-29.4**	**-417.5**
Depreciation charge for the year	-80.4	-99.8	-0.1	-180.2
Impact of business combination	-48.4	0.0	-3.5	-51.8
Disposals/reversals	18.5	0.0	0.0	18.5
Exchange differences	1.7	1.0	1.0	3.6
Other	-0.1	0.0	0.3	0.1
At December 31th, 2020	**-348.1**	**-247.6**	**-31.7**	**-627.3**
Net value				
At January 1st, 2020	**559.3**	**477.5**	**10.3**	**1,047.1**
At December 31th, 2020	**1,291.6**	**1,896.3**	**43.7**	**3,231.7**

Development capitalized cost is related to the modernization of proprietary technological platforms for € 113.2 million. At December 31, 2021, the net book value of those capitalized projects amounted to € 257.6 million.

In 2021, the total of R&D costs reached € 249.4 million out of which € 113.2 million are capitalized.

9.3. Tangible assets

Accounting policies/principles

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

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

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

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2020	**67.1**	**303.6**	**28.7**	**399.4**
Additions	8.6	47.7	3.3	59.5
Impact of business combination	89.1	262.6	12.3	364.0
Disposals	-1.2	-17.8	-3.4	-22.5
Exchange differences	-0.2	-5.8	-0.8	-6.9
Other	3.4	-2.5	-2.3	-1.4
As at December 31, 2020	**166.8**	**587.7**	**37.8**	**792.3**
Accumulated depreciation				
As at January 1st, 2021	**-48.1**	**-187.2**	**-20.2**	**-255.5**
Depreciation charge for the year	-7.2	-51.3	-2.1	-60.5
Impact of business combination	-60.3	-199.1	-7.9	-267.4
Disposals/Reversals	1.1	14.2	3.3	18.6
Exchange differences	0.2	4.6	0.5	5.3
Other	-0.2	3.2	0.7	3.7
As at December 31, 2020	**-114.6**	**-415.6**	**-25.7**	**-555.9**
Net value				
As at January 1st, 2020	**19.0**	**116.4**	**8.5**	**143.9**
As at December 31, 2020	**52.2**	**172.0**	**12.1**	**236.4**

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

Note 10 Right-of-use assets & lease liabilities

10.1. Right-of-use assets under IFRS 16

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

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

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

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

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

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

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

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

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

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

(In € million)	Land and buildings	IT equipments	Other assets	Total
Gross value				
As at January 1st, 2020	**217.6**	**8.2**	**17.7**	**243.5**
Additions	39.2	5.9	8.4	53.5
Impact of business combination	181.7	5.6	11.2	198.5
Disposals	-3.7	-0.1	-3.3	-7.1
Exchange differences	-0.7	0.0	0.0	-0.7
Other	-1.3	0.1	0.0	-1.2
As at December 31, 2020	**432.9**	**19.7**	**34.0**	**486.6**
Accumulated depreciation				
As at January 1st, 2020	**-31.0**	**-4.7**	**-5.6**	**-41.4**
Depreciation charge for the year	-38.8	-2.2	-7.2	-48.2
Impact of business combination	-105.8	-3.0	-4.1	-112.9
Disposals/Reversals	3.5	0.1	3.1	6.8
Exchange differences	0.3	0.0	0.0	0.3
Other	1.7	-0.1	0.0	1.6
As at December 31, 2020	**-170.1**	**-9.8**	**-13.8**	**-193.7**
Net value				
As at January 1st, 2020	**186.6**	**3.5**	**12.1**	**202.1**
As at December 31, 2020	**262.8**	**9.8**	**20.2**	**292.8**

10.2. Lease liabilities

Lease liabilities is composed as follows:

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

(In € million)	Total
Gross value	
As at January 1st, 2020	**201.7**
Additions	55.7
Impact of business combination	91.6
Reimbursment	-49.7
Exchange differences	-0.3
Other	1.1
As at December 31, 2020	**300.1**

10.3 Maturity schedule Lease liabilities

(In € million)	Up to 1 year	1 to 5 years	Over 5 years	TOTAL
TOTAL	**55.7**	**173.4**	**80.5**	**309.6**

Note 11 Pensions and similar benefits

Accounting policies/principles

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

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

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

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

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

The net total liability recognized in the Group's balance sheet in respect of pension plans and other long-term benefits plans amounts to € 227.2 million at December 31, 2021 (compared to a net total liability of € 247.3 million at December 31, 2020). This net total liability is the difference of a total defined benefit obligation of € 824.3 million and a total fair value of plan assets of € 597.1 million.

Worldline Group's defined benefit obligations at December 31, 2021 are located predominantly in Switzerland (40% of total obligations), Germany (23%), Belgium (16%), the United Kingdom (12%), and France (8%).

The amount recognized as an expense for defined contribution plans is € 19.3 million for the year 2021 (2020: € 19.2 million).

11.1. Characteristics of significant plans and associated risks

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

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

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

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

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

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

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

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

11.2. Events in 2021

The Corporate bond interest rate markets for all major zone/countries were particularly volatile this year. The discount rates at December 31, 2021 have increased since December 31, 2020. This led to a decrease in the obligation of about € 23 million totally off-set by the other actuarial loss due mainly to the increase in the inflation rate and pension increase rate while the performance of the assets generated a gain of € 39 million.

On September 25, 2021, the Board of Directors of Worldline group made the strategic decision to sell the "Terminals, Solutions & Services" ("TSS") segment consisting of Banks and Acquirers International Holding and its subsidiaries operating the business Group terminals (design and sale of payment terminals and related services). The Board of Directors considered that the group of companies within the TSS scope met the criteria to be classified as held for sale

The assets of this activity as well as the associated liabilities are therefore presented separately from the Group's other assets and liabilities on specific lines of the statement of financial position as of December 31, 2021. Thus, the pension liabilities and assets of the activities held for sale (TSS) were transferred to these accounts for the following amounts:

- Accrued liabilities : €-12.5 million
- Prepaid pensions Assets : €+5.2 million
- Net IFRS 5 reclassification : €-7.3 million

11.3. Amounts recognized in the financial statements

The amounts recognized in the balance sheet as at December 31, 2021 rely on the following components, determined at each benefit plan's level:

(In € million)	As at December 31, 2021	As at December 31, 2020
Amounts recognized in financial statements consist of :		
Prepaid pension asset – post employment plans	14.6	0.0
Accrued liability – post employment plans	-236.5	-240.0
Accrued liability – other long term benefits	-5.3	-7.3
Net amounts recognized – Total	**-227.2**	**-247.3**
Components of net periodic cost		
Service cost (net of employees contributions)	32.0	25.6
Past service cost, Settlements	-2.1	0.0
Actuarial (gain)/loss in other long term benefits	0.1	0.6
Operating expense	**30.0**	**26.2**
Interest cost	5.5	5.4
Interest income	-3.5	-3.6
Interest cost on the effect of the asset ceiling	0.1	0.0
Financial expense	**2.1**	**1.8**
Net periodic pension cost – Total expense/(profit)	**32.1**	**28.0**
Of which, net periodic pension cost – post employment plans	*31.4*	*27.3*
Of which, net periodic pension cost – other long term benefits	*0.7*	*0.7*
Change in defined benefit obligation		
Defined benefit obligation –post employment plans at January 1st	802.6	628.6
Defined benefit obligation – other long term benefits at January 1st	6.1	6.9
Total Defined Benefit Obligation at January 1st	**808.7**	**635.5**
Exchange rate impact	22.4	-4.1
Service cost (net of employees contributions)	32.0	25.2
Interest cost	5.5	5.4
Employees contributions	7.4	7.1
Past service cost, Settlements	-2.1	0.0
Business combinations/(disposals)	0.9	120.5
Benefits paid	-22.6	-20.7
Actuarial (gain)/loss - change in financial assumptions	7.1	29.1
Actuarial (gain)/loss - change in demographic assumptions	-11.1	-0.1
Actuarial (gain)/loss - experience results	25.0	10.7
Other movements	0.0	0.1
IFRS 5 (*)	-48.8	0.0
Defined benefit obligation at December 31st	**824.3**	**808.7**

* *restated amounts in application of IFRS 5*

The weighted average duration of the liability is 15.8 years.

(In € million)	As at December 31, 2021	As at December 31, 2020
Change in plan assets		
Fair value of plan assets at January 1st	**566.8**	**492.0**
Exchange rate impact	21.7	-3.2
Actual return on plan assets	42.9	4.9
Employer contributions	15.5	19.1
Employees contributions	7.4	7.1
Benefits paid by the fund	-15.6	-13.8
Business combinations/(disposals)	0.0	60.7
IFRS 5 (*)	-41.6	0.0
Fair value of plan assets at December 31st	**597.1**	**566.8**
Reconciliation of prepaid/(accrued) Benefit cost (all plans)		
Funded status-post employment plans	-221.9	-234.6
Funded status-other long term benefit plans	-5.3	-7.3
Asset ceiling limitation at December 31st	0.0	-5.4
Prepaid/(accrued) pension cost	**-227.2**	**-247.3**
Reconciliation of net amount recognized (all plans)		
Net amount recognized at beginning of year	**-247.3**	**-143.5**
Net periodic pension cost	-32.1	-28.0
Benefits paid by by the employer	7.0	6.9
Employer contributions	15.5	19.3
Business combinations/(disposals)	-0.9	-65.1
Amounts recognized in Other Comprehensive Income	24.0	-37.9
Exchange rate	-0.7	1.0
IFRS 5 (*)	7.3	0.0
Net amount recognized at end of year	**-227.2**	**-247.3**

** restated amounts in application of IFRS 5*

11.4. Actuarial assumptions

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

	United Kingdom		Eurozone		Switzerland	
	2021	2020	2021	2020	2021	2020
Discount rate as at December 31	1.80%	1.50%	0.90% ~ 1.05%	0.60% ~ 0.90%	0.35%	0.20%
Inflation assumption as at December 31	3.30%	2.90%	1.80%	1.45%	1.00%	1.00%

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

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

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plan	-4.4%	3.6%
Swiss main pension plan	-3.6%	0.3%
German main pension plan	-5.0%	3.6%
Belgian main pension plan	-2.8%	-1.0%
French main pension plan	-3.9%	

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

11.5. Plan assets

Plan assets were invested as follows:

	As at December 31, 2021	As at December 31, 2020
Equity	36%	31%
Bonds	16%	23%
Other (*)	48%	46%

** of which 19% of insurance contracts in 2021 et 29% in 2020*

11.6. Summary net impacts on profit and loss and cash

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

<u>Profit and loss</u>

(In € million)	As at December 31, 2021			As at December 31, 2020		
	Post-employment	Other LT benefit	**Total**	Post-employment	Other LT benefit	**Total**
Operating margin	-29.3	-0.7	**-30.0**	-25.6	-0.6	**-26.2**
Financial result	-2.1	0.0	**-2.1**	-1.7	-0.1	**-1.8**
Total (expense)/profit	-31.4	-0.7	**-32.1**	-27.3	-0.7	**-28.0**

<u>Cash impacts of pensions</u>

The cash impact of pensions in 2021 was mainly composed of cash contributions to pension or insurance funds for € 15.5 million, the remaining part of € 7.0 million being benefit payments directly made by the Group to the beneficiaries.

Contributions to pension or insurance funds in 2022 are expected to be of € 15.7 million.

Note 12 Provisions

Accounting policies/principles

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

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

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

Litigation and claims

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

Warranties

A provision for warranties is recognized when the underlying goods or services are sold. The provision is based on historical warranty data. The sale of terminals is usually accompanied by a 12-month warranty. The liability provision for warranties on the balance sheet reflects the costs expected by the Group to meet its terminal repair obligations. This statistical calculation is based on historical data. Increases in provisions for warranties may therefore reflect one of two causes:

- growth of sales accompanied by warranties; or
- an adjustment to the provision's calculation.

Supplier inventory buyback commitments

A provision for commitments to buy back inventory from suppliers is recognized to cover the risk that components held by suppliers may become obsolete and the risk that supplies may exceed planned output.

A provision for the full value of components declared obsolete is recognized. The Group estimates excess supplies by comparing the procurement plan with the production plan.

Product quality risk

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

(In € million)	As at December 31, 2020	Charge	Release used	Release unused	Business combina-tion	Other (**)	Reclassification of the TSS terminal business under IFRS 5 (*)	As at December 31, 2021 Restated	Current	Non-current
Project commitments	1.7	0.9	-0.1			0.0		2.5	1.4	1.1
Litigations and contingencies	92.5	9.3	-7.5	-3.3	-0.1	-3.5	-25.9	61.5	13.8	47.7
Warranties	16.7	7.2	-7.5	-1.2		-0.5	-13.2	1.5	0.1	1.4
Reorganization	1.9	2.4	-5.6	-0.1	0.8	5.5	-0.6	4.2	3.8	0.4
Total provisions	**112.8**	**19.8**	**-20.8**	**-4.6**	**0.7**	**1.5**	**-39.8**	**69.7**	**19.1**	**50.5**

** restated amounts in application of IFRS 5*

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

(In € million)	As at December 31, 2019	Charge	Release used	Release unused	Business combina-tion	Other (*)	As at December 31, 2020	Current	Non- current
Project commitments	2.1	0.2	-0.1	-0.5		0.0	1.7	1.1	0.6
Litigations and contingencies	54.5	3.1	-0.4	-14.0	48.4	0.9	92.5	16.0	76.5
Warranties		5.1	-2.7		14.4	-0.1	16.7		16.7
Reorganization	3.1	0.7	-1.2	-0.1	0.1	-0.7	1.9	1.8	0.1
Total provisions	**59.7**	**9.1**	**-4.4**	**-14.6**	**62.9**	**0.0**	**112.8**	**19.0**	**93.9**

** Other movements mainly correspond to currency conversion adjustments*

The closing position of litigations and contingencies provisions of € 61.5 million includes a number of litigation issues, such as tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers.

The Legal department and the lawyers of the Group closely monitor these situations with a view to minimize the ultimate liability.

Tax disputes in Brazil

As communicated by Ingenico in its 2020 Universal Registration Document, the tax assessment procedures in respect of a Brazilian subsidiary (Ingenico do Brasil Ltda) are still in progress. They relate to the ICMS tax, and the sum in question amounted to approximately € 50.7 million as of December 31, 2021 (covering principal, interest and penalties from 2004 to 2010). The "Tax War" pitting Brazilian states against one another affected Ingenico as well as a large number of foreign and domestic companies. The tax authorities of the state of São Paulo have contested the ICMS (VAT) tax credits of Ingenico do Brasil levied on the sales invoices of one of its suppliers (Jabil do Brasil Indústria Eletroeletrônica Ltda) on the grounds that the state of Minas Gerais, in which the supplier operates, had granted the supplier a tax incentive which was not duly approved by the Brazilian National Council for Treasury Policy ("CONFAZ"), therefore violating federal tax law. In June 2019, the taxation authority of the state of São Paulo issued a resolution on the measures that taxpayers must take to benefit from an amnesty in light of the Complementary Law 160/2017. Ingenico fulfilled the conditions stated by the resolution and, in light of the Complementary Law, presented in July 2019, a request for withdraw its defense against such tax assessment notice. Such request was denied by the tax authorities of State of São Paulo in August 2021 based on the argument that the State of Minas Gerais did not comply with the formalities stated by regulation of the Complementary Law (Convention 190/2017). Against such decision, at the administrative level, Ingenico do Brasil Ltda. filed a request for reconsideration (still pending); in parallel, Ingenico do Brasil Ltda. initiated judicial proceedings with the aim of demonstrating that the procedure provided by Convention 190/2017 was fully complied with by the State of Minas Gerais, which entitles Ingenico do Brasil for the use of the ICMS tax credits arising from interstate transactions of purchase of POS from JABIL. As of December 2021, despite the above-mentioned decision, Ingenico do Brasil considers success in this case as probable. Based on an analysis of the risks involved and, on the criteria, set out in IAS 37, no provision has been recognized in the consolidated financial statements as at December 31, 2021.

Note 13 Shareholder equity

13.1. Equity attributable to the owners of the parent

Accounting policies/principles

Treasury stock

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

During this year 2021, 1,349,313 new shares were created following the exercise of:

- The Boost 2020 employee share purchase plan (390,884 shares)
- The stock-options plan (90,275 shares); and
- The free performance shares plan (868,154 shares).

At the end of December 2021, 280,484,817 shares of € 0.68 par value each were outsanding. Worldline S.A. share capital was increased from € 189,812,142.72 as of January 1st, 2021, to € 190,729,675.56 at the end of December 2021.

13.2. Non-controlling Interests

Accounting policies/principles

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

(In € million)	As at December 31, 2020	2021 Income	Capital Increase	Dividends	Scope Changes	Other	As at December 31, 2021
GoPay	0.1	1.8					1.9
Payone	904.5	8.4		-9.8	-35.3	1.0	868.8
Other		0.1				0.2	0.3
Total	**904.6**	**10.3**		**-9.8**	**-35.3**	**1.0**	**871.0**

The non-controlling interests and associates at the end of December 2021 was € 871 million and mainly corresponding to the participation in Payone and GoPay. The scope changes are due to the increase from 52% to 60% of interests in Payone.

Payone is a joint venture owned at 60% by Worldline and 40% by the German Savings Banks (SparkassenFinanzgruppe). Payone is one of the leading merchants acquiring businesses in the DACH region with 280,000 direct merchants and 500,000 POS/POI in the region. Each year, Payone handles 5 billion transactions with a turnover volume with end merchants of € 150 billion.

13.3. Earnings per Share

Accounting policies/principles

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

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

The weighted average number of shares amounts to 279,668,350 shares for the period. At the end of December 2021, potential dilutive instruments comprised stock subscription (equivalent to 893,243 options) and convertible bonds effect (equivalent to 12,775,380 options).

In € million	12 months ended December 31, 2021	*%*	12 months ended December 31, 2020 (*)	*%*
Net income from continuing operations	191.1		127.2	
Net loss from discontinued operations	-942.5		36.5	
Net loss [a]	**-751.4**	**-15.3%**	**163.7**	**6.0%**
Diluted net income from continuing operations	199.2		132.7	
Diluted net loss from discontinued operations	-942.5		36.5	
Diluted net loss [b]	**-743.3**	**-15.2%**	**169.2**	**6.2%**
Normalized net income from continuing operations	440.0		296.8	
Normalized net income from discontinued operations	204.7		64.5	
Normalized net income [c]	**644.6**	**13.2%**	**361.2**	**13.1%**
Normalized diluted net income from continuing operations	448.1		302.3	
Normalized diluted net income from discontinued operations	204.7		64.5	
Normalized diluted net income [d]	**652.7**	**13.3%**	**366.8**	**13.3%**
Average number of shares [e]	279,668,350		198,988,576	
Impact of dilutive instruments	13,668,623		8,892,321	
Diluted average number of shares [f]	293,336,973		207,880,896	
In €				
Basic EPS [a] / [e]	**-2.69**		**0.82**	
Diluted EPS [b] / [f]	**-2.53**		**0.81**	
Normalized basic EPS [c] / [e]	**2.30**		**1.82**	
Normalized diluted EPS [d] / [f]	**2.23**		**1.76**	

** restated amounts in application of IFRS 5*

Note 14 Off-balance sheet commitments

14.1. Contractual commitments

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

(In € million)	As at December 31, 2021	Maturing			As at December 31, 2020
		Up to 1 year	1 to 5 years	Over 5 years	
Operating leases: IT equipment	16.0	6.4	9.7	-	26.0
Non-cancellable purchase obligations	296.5	74.9	149.8	71.8	284.6
Total Commitments	**312.5**	**81.3**	**159.5**	**71.8**	**310.5**
Total	**312.5**	**81.3**	**159.5**	**71.8**	**310.5**

Non-cancellable purchase obligations mainly relate to contractual engagements towards SIX Group AG (See note 15).

14.2. Commercial commitments

(In € million)	As at December 31, 2021	As at December 31, 2020
Bank guarantees	**57.7**	**56.3**
- Operational - Performance	26.6	22.1
- Operational - Bid	0.6	0.5
- Operational - Advance Payment	0.2	0.3
- Financial or Other	30.3	33.3
Parental guarantees	**797.8**	**801.9**
- Operational - Performance	624.3	604.5
- Operational - Other Business Orientated	13.3	12.3
- Financial or Other	160.2	185.1
Pledges	**22.3**	**1.7**
Total	**877.7**	**859.9**

For various large long-term contracts, the Group provides parental guarantees to its clients.

In addition, the Group has pledged some cash deposit in order to secure lease payments to third parties. It may be substituted by the group for bank guarantee at any time.

14.3. Other commitments

Commitments received

(In € million)	As at December 31, 2021	As at December 31, 2020
Guarantee received on acquisitions of companies	1,891.0	816.9
Other commitment received	0.0	5.0
Total	**1,891.0**	**821.9**

Commitments given

(In € million)	As at December 31, 2021	As at December 31, 2020
Guarantee given on disposal of companies	2,066.1	677.5
Other commitment received	3.6	30.4
Total	**2,069.7**	**707.9**

Increase in 2021 of commitments received and given on acquisitions and disposals of companies is mainly related to Payone structuring operations.

Note 15 Related parties

Accounting policies/principles

The related parties include:

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

The main transactions between the related entities are composed of:

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

These transactions are entered into at market conditions.

The related party transactions are detailed as follows:

With SIX Group AG

(In € million)	12 months ended, 2021	12 months ended, 2020
Revenue	35.7	35.6
Operating income / expenses	-46.7	-49.4

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

(In € million)	12 months ended, 2021	12 months ended, 2020
Trade accounts and notes receivables	133.9	129.5
Other current assets		
Trade accounts and notes payables	3.52	5.26
Other current liabilities	0.2	

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

(In € million)	12 months ended, 2021	Maturing Up to 1 year	1 to 5 years	Over 5 years	12 months ended, 2020
Contractual engagements	259.0	37.4	149.8	71.8	284.6
Commitments	**259.0**	**37.4**	**149.8**	**71.8**	**284.6**

Cost of key management personnel of the Group

In 2021, the expenses related to key management personnel included:

- Those related to the Worldline Chief Executive Officer;
- Those related to the Deputy Chief Executive Officer;
- The cost of the members of the Board (Director's fees expensed in 2021); and
- Those related to the Chairman of the Board of Directors (as from October 24, 2021).

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

(In € million)	12 months ended, 2021	12 months ended, 2020
Short-term benefits	3.2	2.1
Employer contributions (*)	1.5	2.0
Performance share plans & stock options (**)	3.7	3.0
Total	**8.4**	**7.1**

** employer contributions due on fixed salary and variable of the key management personnel of Worldline as well as on the grant of the Worldline stock-options plan to key management personnel of Worldline on May 27, 2021 and on the vesting of the 2018 Worldline performance shares plan to key management personnel on July 21, 2021*
*** IFRS 2 2021 accounted for the Worldline performance share plans granted to key management personnel of Worldline on July 21, 2018, July 24, 2019, June 9, 2020 and May 27, 2021 and for the Worldline stock-options plans granted to the key management personnel of Worldline on July 21, 2018, July 24, 2019, June 9, 2020 and May 27, 2021*

Note 16 Main entities part of scope of consolidation as of December 31, 2021

Entity	% of interest	Consolidation method	Countries	Activities
Worldline SA	**Parent company**	**Holding**	**France**	**CONTINUED**
Bambora AB	100	FC	Sweden	CONTINUED
equensWorldline SE	100	FC	Netherlands	CONTINUED
Global Collect Services B.V.	100	FC	Netherlands	CONTINUED
INGENICO Group SA	100	FC	France	CONTINUED
Ingenico Payone GmbH	60	FC	Germany	CONTINUED
Global collect B.V	100	FC	Netherlands	CONTINUED
SIX Payment AG	100	FC	Switzerland	CONTINUED
SIX Payment Services (Europe) SA	100	FC	Luxembourg	CONTINUED
Worldline Germany GmbH	100	FC	Germany	CONTINUED
Worldline Investissement Sàrl.	100	FC	Luxembourg	CONTINUED
Worldline IT Services UK Limited	100	FC	United Kingdom	CONTINUED
Worldline Luxembourg	100	FC	Luxembourg	CONTINUED
Worldline NV/SA	100	FC	Belgium	CONTINUED
Fujian Landi Commercial Equipment Co., Ltd.	98	FC	China	DISCONTINUED
Ingenico (UK) Limited	100	FC	United Kingdom	DISCONTINUED
Ingenico Banks and Acquirers France SAS	100	FC	France	DISCONTINUED
Ingenico do Brasil Ltda.	100	FC	Brazil	DISCONTINUED
Ingenico Inc.	100	FC	USA	DISCONTINUED
Ingenico International (Pacific) Pty Limited	100	FC	Australia	DISCONTINUED
Ingenico Retail Enterprise US Inc.	100	FC	USA	DISCONTINUED

Note 17 Auditors' Fees

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

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

(In € Thousands and %)	Deloitte				Grant Thornton			
	Deloitte & Associés		Réseau		*Grant Thornton*		Réseau	
	Fees	%	Fees	%	Fees	%	Fees	%
Audit and limited review of individual and consolidated financial statements								
Parent company	594.6	45%			336.0	42%		
Subsidiaries	98.0	7%	907.7	72%	36.0	4%	721.2	96%
Sub-total Audit	**692.6**	**52%**	**907.7**	**72%**	**372.0**	**46%**	**721.2**	**96%**
Non audit services								
Parent company	175.5	13%			136.5			
Subsidiaries	465.0	35%	346.2	28%	292.0	54%	30.3	4%
Sub-total Non Audit	**640.5**	**48%**	**346.2**	**28%**	**428.5**	**54%**	**30.3**	**4%**
Total fees 2020	**1,333.1**	**100%**	**1,253.9**	**100%**	**800.5**	**100%**	**751.5**	**100%**

In 2020, non-audit services related to services provided at the Company's request and notably correspond to (i) certificates and reports issued as independent third party on the human resources, environmental and social information pursuant to article of the French Commercial Code, (ii) due diligences, and (iii) tax services, authorized by local legislation, in some foreign subsidiaries.

Note 18 Subsequent events

Acquisition of Axepta Italy

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

The acquisition was completed in January 2022 for an amount of € 182.7 million.

Sale of TSS Business

On February 18, 20200, Worldline has entered into exclusive talks with the Apollo Funds (NYSE : APO) on the basis of a binding offer for the purchase of 100% of the shares of TSS.

The completion of the transaction is subject to the approval of relevant regulatory authorities and is expected to close in the second half of 2022.

A loss of € 907.4 million has been recognized in the 2021 accounts further to the measurement of the fair value less costs to sell and a related tax expense of €145.1 million.

The consideration includes preferred shares that could reach up to € 900 million depending on the future value creation of TSS.

The fair value at December 31, 2021 of the preferred shares has been evaluated at € 640 million using a Black and Scholes Model. Upon closing of the transaction, the preferred shares will be accounted as financial assets at fair value through P&L, in accordance with IFRS 9.

C. APPENDICES

C.1. Contacts

C.1.1. Headquarters

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C.1.2. Global Organization

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Matthieu Destot

equensWorldline and Financial Services
Michael Steinbach

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Claude France

C.1.3. Corporate functions

Chief Executive Officer
Gilles Grapinet

Deputy Chief Executive Officer
Marc-Henri Desportes

Finance
Eric Heurtaux

Human Resources
Olivier Burger

Technology & Operations
Christophe Duquenne

Communication, Marketing & Sales
Pascal Mauzé

Legal & Contract Management
Charles-Henri de Taffin

Strategy, Mergers & Acquisitions, Publics & Regulatory Affairs
Grégory Lambertie

C.1.4. Investors Relations

Institutional investors, financial analysts and individual shareholders can 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 worldline.com.

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

C.2. Financial calendar

- April 27, 2022 Q1 2022 revenue
- June 9, 2022 Annual General Shareholders' Meeting
- July 27, 2022 H1 2022 results
- October 25, 2022 Q3 2022 revenue

About Worldline

Worldline [Euronext: WLN] is a global leader in the payments industry and the technology partner of choice for merchants, banks and acquirers. Powered by 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted and innovative solutions fostering their growth. Services offered by Worldline include instore and online commercial acquiring, highly secure payment transaction processing and numerous digital services. In 2021 Worldline generated a proforma revenue close to 4 billion euros. worldline.com

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

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