

2021 Half-year
financial report ●



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HALF-YEAR MANAGEMENT REPORT

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I. FIRST-HALF 2021 RESULTS

1.1 INTRODUCTION

With a strong increase in business in the first half of the year, Edenred resumes its pre-crisis growth trajectory

Edenred has much more than recovered the ground lost in revenue in first-half 2020, with like-for-like growth of nearly 10% versus 2019¹

- **+31%:** like-for-like operating revenue growth in second-quarter 2021 versus second-quarter 2020
- **+15%:** like-for-like operating revenue growth in first-half 2021 versus first-half 2020, with gains of more than 10% across all business lines and regions
- **+10%:** like-for-like operating revenue growth in first-half 2021 versus first-half 2019

Margin improvement and strong cash generation

- **Total revenue: €757 million**, up 15% like-for-like versus first-half 2020 (+9% as reported)
- **EBITDA: €295 million**, up 21% like-for-like (+16% as reported), driving the EBITDA margin up 2 points, to 39%
- **Net profit, Group share of €133 million**, up 33%
- Strong cash generation, with **funds from operations before other income and expenses (FFO) of €254 million**, up 23%
- **Net debt: €1.45 billion**, down slightly from June 30, 2020

Edenred upgrades its guidance for minimum like-for-like EBITDA growth in 2021 by 3 points

- Thanks to the relevance of its solutions and the strength of its sales dynamic, Edenred will continue to capitalize on the opportunities created by changes in the world of work and to further penetrate its markets
- In certain regions still impacted by health restrictions in the second quarter (France and Latin America), the Employee Benefits business line is expected to gradually get back to pre-crisis levels
- As a result, despite the uncertainties related to the development of the pandemic and the exit timing of the health crisis, **Edenred is upgrading its guidance for like-for-like EBITDA growth to minimum 9%** versus 6% previously
- Edenred therefore intends to generate **2021 EBITDA of between €620 million and €670 million²**

¹ Like-for-like comparisons with 2019 correspond to the sum in euros of like-for-like growth for the period in 2020 and 2021.

² Based on the assumption of an average Brazilian real/euro exchange rate for 2021 equal to 6.35.

Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, said: "After getting back to like-for-like growth across all business lines and all regions in first-quarter 2021, Edenred succeeded in maintaining this momentum in the second quarter. With growth of nearly 10% compared with the first half of 2019, we have much more than recovered the ground lost in 2020. This shows that Edenred is returning to its pre-crisis trajectory of sustainable and profitable growth, which is why we are upgrading our minimum EBITDA growth guidance for the year. To continue on this path, our teams will leverage a comprehensive and innovative range of solutions in our three business lines to win over new clients of all sizes. By targeting underpenetrated markets and developing solutions that are particularly relevant to the world of work – which is increasingly centered around digital technology, automation and flexibility – Edenred will be able to harness its huge growth potential in the coming years."

FIRST-HALF 2021 RESULTS

At its meeting on July 26, 2021, the Board of Directors reviewed the Group's consolidated interim financial statements for the six months ended June 30, 2021.

First-half 2021 key financial metrics:

(in € millions)	First-half 2021	First-half 2020	% change (like-for-like)	% change (reported)
Operating revenue	736	675	+15.3%	+9.2%
Other revenue (A)	21	21	+10.4%	-3.5%
Total revenue	757	696	+15.2%	+8.8%
EBITDA	295	255	+20.9%	+15.6%
Operating EBIT (B)	211	171	+27.8%	+23.5%
EBIT (A + B)	232	192	+25.8%	+20.5%
Net profit, Group share	133	100		+32.9%

1.2 ANALYSYS OF CONSOLIDATED FINANCIAL RESULTS

► Total revenue: €757 million

Total revenue for first-half 2021 amounted to €757 million, up 15.2% like-for-like compared with first-half 2020. The reported increase came to 8.8%, reflecting an unfavorable currency effect (-6.1%) and a slightly negative scope effect (-0.2%) during the period.

Total revenue for the second quarter was up 30.2% like-for-like and up 27.3% as reported, including a negative currency effect (-2.6%) and a slightly negative scope effect (-0.3%).

► Operating revenue: €736 million

Operating revenue for the first six months of 2021 came to €736 million, up 15.3% like-for-like versus the prior-year period, reflecting double-digit growth in all business lines and in all major regions. On a reported basis, an unfavorable currency effect (-5.9%) and a slightly negative scope effect (-0.2%) resulted in growth of 9.2%.

After an encouraging start to the year, nonetheless, still impacted by health restrictions, this good performance was achieved thanks to the continued rebound in business during the second quarter, when operating revenue rose by 30.6% like-for-like and by 27.9% as reported.

Compared with first-half 2019, like-for-like growth came to 9.6%. This means that the Group has much more than recovered the ground lost in first-half 2020, even though some of its operations were still impacted by the health crisis, notably the Employee Benefits business in Latin America.

Edenred has therefore demonstrated its ability to return to a high level of growth, thanks to the relevance of its offering – which includes innovative new solutions such as the Télétravail platform launched in France during the period – and a sales dynamic that enables the Group to continue penetrating its markets. The number of new contracts signed with SMEs in the first half of 2021, for example, was equivalent to that in the same period in 2019.

► Operating revenue by business line

(in € millions)	First-half 2021	First-half 2020	% change (like-for-like)	% change (reported)
Employee Benefits	448	412	+13.4%	+8.8%
Fleet & Mobility Solutions	190	173	+20.1%	+10.1%
Complementary Solutions	98	90	+14.8%	+9.4%
Total	736	675	+15.3%	+9.2%

The **Employee Benefits** business line, which accounted for 61% of the Group's business, generated €448 million in operating revenue in first-half 2021, representing like-for-like growth of 13.4% (+8.8% as reported), including a sharp 31.5% rise in the second quarter on a like-for-like basis (+29.5% as reported).

With a like-for-like increase in operating revenue of 3.3% versus first-half 2019, Edenred has successfully neutralized the decrease recorded in 2020. This was achieved notably thanks to a robust performance in Europe, despite the fact that business continues to be impacted by a still challenging health situation in Latin America and that most of the funds accumulated on prepaid solutions have not yet been spent via the Group's network of partner merchants, notably in France.

During the first half of 2021, Edenred continued to roll out its initiatives aimed at offering the most seamless experience possible to its clients, its partner merchants and the users of its products. For example, Edenred has now deployed its virtual Ticket Restaurant solution without a plastic card in France, Spain, Finland, Italy and Poland, enabling employers to equip their workers quickly, simply and securely, particularly at a time when remote working is becoming

increasingly widespread. Accelerated by the health crisis, this dramatic change in the world of work is also creating new opportunities for the Group to further penetrate its markets. Thanks to the partnerships Edenred started forging back in 2018, Ticket Restaurant now has more than 100 online partners in 16 countries, including both international and local meal delivery platforms. This flexible and innovative experience notably led Gecina, the leading owner of office space in Europe, to work with Edenred to integrate the Group's solutions into its offer for its 100,000 customers and users in France.

In the **Fleet & Mobility Solutions** business line, which accounted for 26% of the Group's business, operating revenue came to €190 million in the first half of the year, up 20.1% like-for-like over the period (+10.1% as reported), and up 40.0% in the second quarter (+35.6% as reported).

First-half operating revenue was 17.3% higher than in first-half 2019, notably reflecting the commercial success of Edenred's solutions for fleet managers and its "Beyond Fuel" strategy. "Beyond Fuel" was strengthened during first-half 2021 by innovations such as the cloud-based platform in Brazil, which gives fleet managers direct access to all their services, and by the expansion of the UTA One toll solution to five more countries.

The **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards and Public Social Programs, generated operating revenue of €98 million in first-half 2021, representing an increase of 14.8% like-for-like (+9.4% as reported). For the second quarter alone, growth came to 11.7% like-for-like (+8.5% as reported). Compared with first-half 2019, operating revenue for the Complementary Solutions business line was up 26.7%.

The growth recorded by this business line notably reflects the Group's ability to implement new, specific earmarked funds programs designed, for instance, to help public authorities effectively combat the impacts of Covid-19. One example is the fully digital food aid program deployed in Romania to provide elderly people on low incomes with a purchasing power supplement for food.

In Corporate Payment Services, business improved during the period, with revenue back to first-half 2019 levels despite the number of transactions remaining lower in certain sectors, such as hotels and media. The improvement was the result of new client wins, achieved partly thanks to the partnerships recently signed by CSI with Citi and Sage. These wins confirm the growing interest among North American companies in automated, digital accounts payable services, which are particularly well suited to new ways of working and available 24/7 thanks to their integration into the cloud.

Operating revenue by region

(in € millions)	First-half 2021	First-half 2020	% change (like-for-like)	% change (reported)
Europe	475	411	+15.1%	+15.4%
Latin America	204	203	+17.2%	+0.8%
Rest of the World	58	61	+10.3%	-4.6%
Total	736	675	+15.3%	+9.2%

In **Europe**, operating revenue amounted to €475 million in first-half 2021, an increase of 15.1% like-for-like and of 15.4% as reported. Growth in the second quarter alone came to 28.7% like-for-like and 29.3% as reported. The region represented 64% of Group operating revenue. Compared with first-half 2019, operating revenue for the region was up 11.2% like-for-like, reflecting a return to above-2019 levels both in France and in Europe excluding France.

In **France**, operating revenue amounted to €135 million, representing an increase of 21.1% both like-for-like and as reported. In the second quarter, growth came to a strong 59.6% like-for-like and as reported. After the implementation of local lockdowns in the first quarter, lockdown measures were extended to the whole country at the beginning of the second quarter. Against this backdrop, Edenred recorded a very good sales performance in France, notably with Ticket Restaurant, the leading digital solution on the market. In addition, the gradual reopening of restaurants from May 19 contributed to an acceleration in the use of funds allocated to employees, which had accumulated through to the end of first-quarter 2021.

Operating revenue in **Europe excluding France** totaled €340 million in first-half 2021, an increase of 12.9% like-for-like (+13.3% as reported), driven by a good sales performance. Second-quarter operating revenue rose by 19.9% like-for-like (+20.6% as reported). In Employee Benefits, the gradual easing of health restrictions and the reopening of restaurants facilitated the use of Edenred's solutions. Revenue growth in the Fleet & Mobility Solutions business line was driven by new client wins, the continuation of the "Beyond Fuel" strategy, notably with the success of toll solutions, and a recovery in economic activity in the region's countries.

Operating revenue in **Latin America** amounted to €204 million, up 17.2% like-for-like in the first half (+0.8% as reported), with a 37.8% like-for-like increase in the second quarter (+31.9% as reported). The region represented 28% of total consolidated operating revenue in first-half 2021.

Operating revenue for the region was up 6.0% on a like-for-like basis compared with first-half 2019, reflecting higher business levels than in 2019 in both Brazil and Hispanic Latin America.

In **Brazil**, operating revenue growth came to 19.4% like-for-like (-0.9% as reported) in the first six months of the year, including a 40.9% like-for-like increase in the second quarter. The success of "Beyond Fuel" maintenance and toll management solutions continued to drive growth in Fleet & Mobility Solutions, while Employee Benefits recorded a strong sales performance, thanks notably to the ramp-up of the partnership with Itaú

Unibanco. The Group continued, nevertheless, to be impacted by the still unstable health situation, which saw the implementation of partial restrictions.

In **Hispanic Latin America**, operating revenue rose by 12.1% like-for-like over the period (+4.5% as reported), with a 31.3% like-for-like increase in the second quarter. The region recorded a solid recovery despite the still challenging and fast-changing health situation. Fleet & Mobility Solutions continued to grow strongly during the second quarter.

In the **Rest of the World**, operating revenue amounted to €58 million, up 10.3% like-for-like and down 4.6% as reported. Second-quarter operating revenue rose by 22.1% like-for-like (+6.3% as reported).

Compared with first-half 2019, like-for-like growth in operating revenue came to 13.9%. This performance reflects the success of the innovative solutions offered by the Group in the region's countries, such as the fully digital Benefit Xpress solution in Taiwan, which was converted into a "Covid-19 survival pack" to finance the online purchase of basic necessities during lockdown.

► **Other revenue: €21 million**

For the first six months of the year, other revenue amounted to €21 million, up 10.4% like-for-like, despite lower interest rates in non-euro European countries. On a reported basis, other revenue fell by 3.5%, impacted by negative currency effects, mainly in Latin America.

► **EBITDA: €295 million**

In first-half 2021, EBITDA amounted to €295 million, up 20.9% like-for-like and up 15.6% as reported.

EBITDA increased by 23.4% like-for-like in Europe and by 20.6% in Latin America, driven by strong business growth in both regions.

EBITDA margin came to 39.0%, up 2.3 points as reported and up 1.8 points like-for-like, demonstrating Edenred's capacity to invest and develop its business, while also improving its margins, and thereby move gradually back to 2019 levels.

► **Financial result**

Net financial expense amounted to €9 million in first-half 2021 compared with €15 million in the year earlier period.

Gross borrowing costs for first-half 2021 include amortization of bond issuance costs for €5 million and interest income on Neu CP issued at negative interest rates.

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

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

► **Operating profit before tax**

Profit before tax stands at €220 million versus €170 million at June 30, 2020.

Income tax expense

Income tax expense stood at €57 million for the period, versus €69 million in first-half 2019. The effective tax rate declined from 30.1% in first-half 2019 to 33.5% in the six months to June 30, 2020. The calculation is available hereafter chapter 2, Note 7 to the consolidated financial statements.

Net profit: €133 million

Net profit, Group share amounted to €133 million in first-half 2021, versus €100 million in the prior-year period, with the increase primarily driven by growth in EBITDA. Net profit takes into account other income and expenses for a net expense of €7 million (versus a net expense of €13 million in first-half 2020), a net income tax expense of €73 million (versus €57 million in 2020), a net financial expense of €9 million (versus €15 million in 2020) and €(14) million attributable to non-controlling interests (versus €(13) million in first-half 2020).

1.3 LIQUIDITY AND FINANCIAL RESOURCES

1.3.1 Cash flows

In € millions	June 2021	June 2020
Net profit attributable to owners of the parent	133	100
Non-controlling interests	14	13
Dividends received from equity-accounted companies	14	11
Difference between income tax paid and income tax expense	14	(7)
Non-cash impact from other income and expenses	79	90
= Funds from operations before other income and expenses (FFO)	254	207
Decrease (Increase) in working capital ⁹	(258)	448
Recurring decrease (Increase) in restricted cash	(18)	(489)
= Net cash from (used in) operating activities	(22)	166
Recurring capital expenditure	(46)	(53)
= Free cash flows (FCF)³	(68)	113

³ Including the payment of the €157 million fine issued by France's antitrust authority, increase in working capital amounted to €415 million and free cash flow amounted to a negative €225 million for first-half 2021.

Edenred's business model generates significant cash flows, delivering funds from operations before other income and expenses (FFO) of €254 million in first-half 2021, up 27.3% like-for-like and up 22.7% as reported.

1.3.2 Working capital requirement

Negative working capital requirement at June 30, 2021 increased by €259 million compared with June 30, 2020. Table with details is available hereafter in chapter 2, note 4.6 of the consolidated financial statements

1.3.3 Net debt

At June 30, 2021, Edenred had net debt of €1.45 billion, versus €1.50 billion at end-June 2020. The improvement in net debt notably takes into account the €459 million in free cash flow generated over the previous 12 months and the €93 million returned to shareholders. The net debt position also reflects the negative €280 million impact of changes in exchange rates and non-recurring items⁴.

For details, see les Notes to consolidated financial statement:

- 6.4 (Debt and other financial liabilities) page 27;
- 6.5 (Net debt and net cash) page 31.

1.3.4 Equity

Equity represented a negative amount of €1,006 million at June 30, 2021 and €1,134 million at December 31, 2020.

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

1.4 SIGNIFICANTS EVENTS OF 2021 FIRST-HALF

▶ Edenred's subsidiary Corporate Spending Innovations (CSI) expands its partnership with Sage and collaborates with Citi

- In March 2021, Sage and Edenred's subsidiary Corporate Spending Innovations (CSI), a leader in electronic B2B payment solutions, announced an expanded relationship. The companies are working together to deliver new vendor payments capabilities natively within the Sage Intacct cloud financial management system – providing a seamless experience from bill to reconciliation for joint customers⁵.
- In April 2021, CSI announced that it had signed an agreement with the Commercial Cards division of international bank Citi to offer US businesses a joint solution combining CSI's digital supplier payment expertise and Citi's financial firepower. This collaboration strengthens CSI's value proposition with key accounts, for whom the banking relationship is particularly valued.

⁴ This amount includes the €157 million fine issued by France's antitrust authority, which was paid in first-quarter 2021.

⁵ Press release dated March 10, 2021.

► **Edenred unveils its purpose: “Enrich connections. For good.”**

Edenred unveiled its purpose at its General Meeting on May 11, 2021. Defined by its employees and approved by the Board of Directors, the Group's overriding goal is to **“Enrich connections. For good.”**

This purpose is intended to inform the Group's strategic decisions and unite its teams by giving meaning to its organization, in line with its “Ideal” corporate social responsibility policy. It is based on three strong commitments :

- Ideal People: 40% women among executive positions by 2030;
- Ideal Planet: -56% greenhouse gas emissions by 2030 versus 2013;
- Ideal Progress: 85% of merchants and users sensitized to nutrition and food waste by 2030.

As part of this approach, free share allocation plans will now include a 25% portion contingent on the achievement of these criteria, assessed over three consecutive financial years⁶.

► **Appointment to the Executive Committee**

In June 2021, Jean-Urbain Hubau was appointed Chief Operating Officer of Edenred's Fleet & Mobility Solutions and joined the Group's Executive Committee. He had been Director of Fleet & Mobility Solutions for Brazil since 2018 and for all of Latin America since January 2021⁷.

► **Edenred successfully places its first sustainability-linked convertible bonds for a nominal amount of approximately €400 million**

On June 9, 2021, the Group launched and placed its inaugural sustainability-linked bonds convertible into and/or exchangeable for new and/or existing shares (“OCEANES”) due 2028 for an aggregate amount of approximately €400 million. The bonds have a conversion premium of 37.5%, a yield to maturity of -0.12% and do not bear interest.

The net proceeds of the offering will be used by Edenred for general corporate purposes, including the financing of potential external growth operations.

To coincide with the placement, Edenred published its first Sustainability-Linked Bond Framework, which was reviewed by an external third party and is based on the achievement of three sustainable performance targets (People, Planet, Progress)⁸.

⁶ Press release dated May 11, 2021.

⁷ Press release dated June 1, 2021.

⁸ Press release dated June 9, 2021.

II. OUTLOOK

In first-half 2021, Edenred demonstrated its capacity to harness its still-intact growth potential to rebound sharply and generate double-digit growth across all its business lines and regions. As a result, the Group has much more than recovered the ground lost in first-half 2020, recording like-for-like operating revenue growth of nearly 10% compared with first-half 2019. This momentum is expected to continue during the second half of the year.

However, recent pandemic-related developments such as the reintroduction of restrictions in certain European countries, as well as the uncertainties surrounding the exit timing of the health crisis, provide reason to be cautious, particularly in Latin America. Edenred is nonetheless sufficiently confident about its outlook for the second half of the year to upgrade its guidance for minimum like-for-like EBITDA growth for 2021 by three points to 9% (versus 6% previously). The Group intends to generate full-year EBITDA of between €620 million and €670 million⁹, versus €580 million in 2020.

More generally, Edenred will continue to fully harness the intact growth potential created by its unique positioning as a global, digital, flexible and connected platform. It will notably be able to capitalize on an offering aligned with trends in home working, new mobility solutions, sustainable development and digital payments to get back to the levels of sustainable and profitable growth attained before the onset of the health crisis.

III. MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties that may affect the Group in the last six months of the year are presented in the "Risk Factors" section of the 2020 Universal Registration Document filed with French securities regulator AMF on March 29, 2021.

Furthermore, details about different impacts of the Covid-19 health crisis are presented in chapter 1, section II "Outlook" and in chapter 2, Note 1.5, 4.1.3, 7.

The amounts relating to market and financial risks at 30 June 2021 are described in the note 6.6 in section "Notes to financial statements" of this Half-year Report. Furthermore, claims and litigation are presented in the note 10.3 in section "Notes to financial statements" of this Half-year Report.

IV. MAIN RELATED PARTY TRANSACTIONS

There were no material changes in related party transactions during the half year of 2021.

More details in the 2020 Universal Registration Document page 286, Note 11.2 to the consolidated financial statements.

V. SUBSEQUENT EVENTS

None

⁹ Based on the assumption of an average Brazilian real/euro exchange rate for 2021 equal to 6.35 BRL = 1 EUR.

VI. GLOSSARY

a) Main terms

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

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

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

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

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

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

- **Business volume**

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

- **Issue volume**

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

- **Transaction volume**

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

b) Alternative performance measurement indicators included in the June 30, 2021 Interim Financial Report

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

Indicator	Reference note in Edenred's 2021 condensed interim consolidated financial statements
	Operating revenue corresponds to:
Operating revenue	<ul style="list-style-type: none"> operating revenue generated by prepaid vouchers managed by Edenred, and operating revenue from value-added services such as incentive programs, human services and event-related services. It corresponds to the amount billed to the client company and is recognized on delivery of the solutions.
	Other revenue is interest generated by investing cash over the period between:
Other revenue	<ul style="list-style-type: none"> the issue date and the reimbursement date for vouchers, and the loading date and the redeeming date for cards. <p>The interest represents a component of operating revenue and as such is included in the determination of total revenue.</p>
EBITDA	This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses.
	This aggregate corresponds to EBIT adjusted for other revenue.
Operating EBIT	<p>As per the consolidated financial statements, operating EBIT as of June 30, 2021 amounted to €211 million, comprising:</p> <ul style="list-style-type: none"> plus €232 million in EBIT minus €21 million in other revenue.
EBIT	<p>This aggregate is the "Operating profit before other income and expenses", which corresponds to total revenue (operating revenue and other revenue) less operating expenses, depreciation, amortization (mainly intangible assets, internally generated or acquired assets) and non-operating provisions. It is used as the benchmark for determining senior management and other executive compensation as it reflects the economic performance of the business.</p> <p>EBIT excludes the net profit from equity-accounted companies and excludes the other income and expenses booked in the "Operating profit including share of net profit from equity-accounted companies".</p>
Other income and expenses	See Note 10.1 of consolidated financial statements

Funds from operations (FFO) *See consolidated statement of cash flows (Part 1.4)*

c) Alternative performance measurement indicators not included in the June 30, 2021 Interim Financial Report

Indicator	Definitions and reconciliations with Edenred's 2021 condensed interim consolidated financial statements
Free cash flow	Free cash flow corresponds to cash generated by operating activities less investments in intangible assets and property, plant and equipment.

VII. APPENDICES

Operating revenue

In € millions	Q1		Q2		H1	
	2021	2020	2021	2020	2021	2020
Europe	237	228	238	183	475	411
<i>France</i>	69	70	66	41	135	111
<i>Rest of Europe</i>	168	158	172	142	340	300
Latin America	97	121	107	82	204	203
Rest of the world	29	34	28	27	58	61
Total	363	383	373	292	736	675

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+4.2%	+4.2%	+29.3%	+28.7%	+15.4%	+15.1%
<i>France</i>	-1.4%	-1.4%	+59.6%	+59.6%	+21.1%	+21.1%
<i>Rest of Europe</i>	+6.7%	+6.6%	+20.6%	+19.9%	+13.3%	+12.9%
Latin America	-20.1%	+3.4%	+31.9%	+37.8%	+0.8%	+17.2%
Rest of the world	-13.4%	+0.8%	+6.3%	+22.1%	-4.6%	+10.3%
Total	-5.1%	+3.6%	+27.9%	+30.6%	+9.2%	+15.3%

Other revenue

In € millions	Q1		Q2		H1	
	2021	2020	2021	2020	2021	2020
Europe	3	4	3	4	7	8
<i>France</i>	1	2	1	1	3	3
<i>Rest of Europe</i>	2	2	2	3	4	5
Latin America	6	7	6	4	11	11
Rest of the world	1	1	1	1	3	2
Total	10	12	10	9	21	21

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	-18.2%	-17.6%	-8.2%	-8.8%	-13.5%	-13.4%
<i>France</i>	-10.7%	-10.7%	-6.8%	-6.8%	-8.8%	-8.8%
<i>Rest of Europe</i>	-22.9%	-22.0%	-9.2%	-10.2%	-16.6%	-16.6%
Latin America	-14.9%	+9.5%	+8.6%	+12.7%	-4.5%	+10.9%
Rest of the world	+19.0%	+70.5%	+80.0%	+155.9%	+43.4%	+104.6%
Total	-12.8%	+6.0%	+7.9%	+15.9%	-3.5%	+10.4%

Total revenue

In € millions	Q1		Q2		H1	
	2021	2020	2021	2020	2021	2020
Europe	240	232	241	187	481	419
<i>France</i>	70	72	67	42	137	114
<i>Rest of Europe</i>	170	160	174	145	344	305
Latin America	103	128	113	86	216	214
Rest of the world	30	35	30	28	60	63
Total	373	395	384	301	757	696

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+3.8%	+3.8%	+28.6%	+28.0%	+14.9%	+14.6%
<i>France</i>	-1.6%	-1.6%	+57.2%	+57.2%	+20.3%	+20.3%
<i>Rest of Europe</i>	+6.2%	+6.2%	+20.1%	+19.4%	+12.8%	+12.5%
Latin America	-19.8%	+3.7%	+30.5%	+36.3%	+0.5%	+16.8%
Rest of the world	-12.3%	+3.1%	+8.3%	+25.8%	-3.2%	+13.1%
Total	-5.3%	+3.7%	+27.3%	+30.2%	+8.8%	+15.2%

EBITDA, Operating EBIT and EBIT

In € millions	H1 2021	H1 2020	Change reported	Change L/L
Europe	192	154	+24.6%	+23.4%
<i>France</i>	49	28	+75.5%	+75.5%
<i>Rest of Europe</i>	144	126	+13.4%	+11.9%
Latin America	88	86	+2.1%	+20.6%
Rest of the world	13	11	+21.8%	+53.5%
Others	2	4	-57.5%	-164.5%
EBITDA	295	255	+15.6%	+20.9%

In € millions	H1 2021	H1 2020	Change reported	Change L/L
Europe	157	122	+29.1%	+27.7%
<i>France</i>	38	18	+114.7%	+114.7%
<i>Rest of Europe</i>	120	104	+14.7%	+13.0%
Latin America	72	68	+4.8%	+24.7%
Rest of the world	5	2	+158.5%	+275.0%
Others	(3)	0	N/A	N/A
EBIT	232	192	+20.5%	+25.8%

In € millions	H1 2021	H1 2020	Change reported	Change L/L
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Europe	151	114	+31.9%	+30.4%
<i>France</i>	35	15	+141.2%	+141.2%
<i>Rest of Europe</i>	116	99	+16.1%	+14.4%
Latin America	60	57	+6.8%	+27.5%
Rest of the world	3	0	N/A	N/A
Others	(3)	0	N/A	N/A
Operating EBIT	211	171	+23.5%	+27.8%

Summarized balance sheet

In € millions			
ASSETS	June 2021	Dec. 2020	June 2020
Goodwill	1,499	1,457	1,495
Intangible assets	674	655	661
Property, plant & equipment	165	148	151
Investments in associates	58	64	64
Other non-current assets	186	181	188
Float (Trade receivables, net)	1,246	1,170	1,758
Working capital excl. float (assets)	1,174	899	316
Restricted cash	2,647	2,578	2,295
Cash & cash equivalents	2,266	2,276	2,331
TOTAL ASSETS	9,915	9,428	9,259

In € millions			
LIABILITIES	June 2021	Dec. 2020	June 2020
Total equity	(1,006)	(1,134)	(1,207)
Gross debt and other financial liabilities	3,715	3,391	3,832
Provisions and deferred tax	185	178	222
Vouchers in circulation (Float)	4,815	4,874	4,935
Working capital excl. float (liabilities)	2,206	2,119	1,477
TOTAL LIABILITIES	9,915	9,428	9,259

	June 2021	Dec. 2020	June 2020
Total working capital	4,601	4,924	4,338
Of which float:	3,569	3,704	3,177

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

I. CONSOLIDATED FINANCIAL STATEMENT

1.1. CONSOLIDATED INCOME STATEMENT

1.2. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. CONSOLIDATED FINANCIAL STATEMENT

1.1 CONSOLIDATED FINANCIAL STATEMENT

<i>(in € millions)</i>	Notes	First-half 2021	First-half 2020
Operating revenue	4.1	736	675
Other revenue	4.1	21	21
Total revenue	4.1	757	696
Operating expenses	4.2	(462)	(441)
Depreciation, amortization and impairment losses	5.5	(63)	(63)
Operating profit before other income and expenses (EBIT)	4.4	232	192
Share of net profit from equity-accounted companies	5.4	4	6
Other income and expenses	10.1	(7)	(13)
Operating profit including share of net profit from equity-accounted companies		229	185
Net financial expense	6.1	(9)	(15)
Profit before tax		220	170
Income tax expense	7	(73)	(57)
NET PROFIT		147	113
Net profit attributable to owners of the parent		133	100
Net profit attributable to non-controlling interests		14	13
Earnings per share (in €)	8	0.54	0.41
Diluted earnings per share (in €)	8	0.51	0.41

1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	Notes	First-half 2021	First-half 2020
Net profit		147	113
Other comprehensive income			
Currency translation adjustment		75	(244)
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income		(24)	11
Tax on items that may be subsequently reclassified to profit or loss		7	(3)
Items that may be subsequently reclassified to profit or loss		58	(236)
Actuarial gains and losses on defined-benefit plans		-	1
Tax on items that may not be subsequently reclassified to profit or loss		-	-
Items that may not be subsequently reclassified to profit or loss		-	1
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		58	(235)
COMPREHENSIVE INCOME (LOSS)		205	(122)
Comprehensive income (loss) attributable to owners of the parent	1.5	187	(113)
Comprehensive income attributable to non-controlling interests	1.5	18	(9)

1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONSOLIDATED ASSETS

<i>(in € millions)</i>	Notes	June 30, 2021	Dec. 31, 2020
Goodwill	5.1	1,499	1,457
Intangible assets	5.2	674	655
Property, plant and equipment	5.3	165	148
Investments in equity-accounted companies	5.4	58	64
Non-current financial assets	6.2	141	132
Deferred tax assets		45	49
TOTAL NON-CURRENT ASSETS		2,582	2,505
Trade receivables	4.6	1,972	1,743
Inventories, other receivables and accruals	4.6	448	326
Restricted cash	4.7	2,647	2,578
Current financial assets	6.2/6.5	80	130
Other marketable securities	6.3/6.5	864	1,021
Cash and cash equivalents	6.3/6.5	1,322	1,125
TOTAL CURRENT ASSETS		7,333	6,923
TOTAL ASSETS		9,915	9,428

CONSOLIDATED EQUITY AND LIABILITIES

<i>(in € millions)</i>	Notes	June 30, 2021	Dec. 31, 2020
Issued capital		499	493
Additional paid-in capital and consolidated retained earnings (accumulated losses)		(961)	(1,011)
Currency translation adjustment		(606)	(675)
Treasury shares		(42)	(37)
Equity attributable to owners of the parent		(1,110)	(1,230)
Non-controlling interests		104	96
Total equity		(1,006)	(1,134)
Non-current debt	6.4/6.5	3,049	2,928
Other non-current financial liabilities	6.4/6.5	124	99
Non-current provisions	10.2	36	33
Deferred tax liabilities		135	129
TOTAL NON-CURRENT LIABILITIES		3,344	3,189
Current debt	6.4/6.5	472	266
Other current financial liabilities	6.4/6.5	70	98
Current provisions	10.2	14	16
Funds to be redeemed	4.6	4,815	4,874
Trade payables	4.6	738	669
Current tax liabilities	4.6	31	11
Other payables		1,437	1,439
TOTAL CURRENT LIABILITIES		7,577	7,373
TOTAL EQUITY AND LIABILITIES		9,915	9,428

1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in € millions)</i>	Notes	First-half 2021	First-half 2020
+ Net profit attributable to owners of the parent		133	100
+ Non-controlling interests		14	13
- Share of net profit from equity-accounted companies	5.4	(4)	(6)
- Depreciation, amortization and changes in operating provisions		65	65
- Expenses related to share-based payments		2	7
- Non-cash impact of other income and expenses		9	12
- Difference between income tax paid and income tax expense		14	(7)
+ Dividends received from equity-accounted companies	5.4	14	11
= Funds from operations including other income and expenses		247	195
- Other income and expenses (including restructuring costs)		7	12
= Funds from operations before other income and expenses (FFO)		254	207
+ Decrease (increase) in working capital	4.6	(415)	448
+ Recurring decrease (increase) in restricted cash	4.7	(18)	(489)
= Net cash from (used in) operating activities		(179)	166
+/- Other income and expenses (including restructuring costs) received/paid		(20)	(13)
= Net cash from (used in) operating activities including other income and expenses (A)		(199)	153
- Acquisitions of property, plant and equipment and intangible assets		(46)	(53)
- Acquisitions of investments		(6)	(3)
- External acquisition expenditure, net of cash acquired		(30)	(102)
+ Proceeds from disposals of assets		5	-
= Net cash from (used in) investing activities (B)		(77)	(158)
+ Capital increase		-	1
- Dividends paid ⁽¹⁾	3.1	(68)	(66)
+ (Purchases) sales of treasury shares		(17)	(28)
+ Increase in non-current debt		410	601
- Decrease in non-current debt		(2)	(1)
+ Change in current debt net of change in short-term investments		117	(316)
= Net cash from (used in) financing activities (C)		440	191
- Net foreign exchange differences (D)		21	(79)
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)		185	107
+ Cash and cash equivalents at beginning of period		1,016	952
- Cash and cash equivalents at end of period		1,201	1,059
= NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		185	107

1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Issued capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings (accumulated losses) ⁽²⁾	Cumulative compensation costs – share-based payments	Cumulative fair value adjustments to financial instruments	Cumulative actuarial gains (losses) on defined-benefit plans	Cumulative currency translation adjustment ⁽¹⁾	Net profit attributable to owners of the parent	Equity attributable to owners of the parent	Total non-controlling interests	Total equity
DEC. 31, 2019	486	880	(48)	(2,579)	127	29	(9)	(391)	312	(1,193)	150	(1,043)
Appropriation of 2019 net profit	-	-	-	312	-	-	-	-	(312)	-	-	-
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-	2	2
- in cash	-	-	-	-	-	-	-	-	-	-	-	-
- cancellation of treasury shares	-	(34)	-	-	-	-	-	-	-	(34)	-	(34)
- options exercised	-	1	-	-	-	-	-	-	-	1	-	1
- dividends reinvested in new shares	7	102	-	-	-	-	-	-	-	109	-	109
Dividends paid	-	-	-	(170)	-	-	-	-	-	(170)	(6)	(176)
Changes in consolidation scope ⁽⁴⁾	-	-	-	74	-	-	-	(1)	-	73	(51)	22
Compensation costs – share-based payments	-	-	-	-	7	-	-	-	-	7	-	7
(Acquisitions) disposals of treasury shares	-	-	20	(13)	-	-	-	-	-	7	-	7
Other ⁽⁵⁾	-	-	-	16	-	-	-	-	-	16	4	20
Other comprehensive income	-	-	-	-	-	7	1	(221)	-	(213)	(22)	(235)
Net profit for the period	-	-	-	-	-	-	-	-	100	100	13	113
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	7	1	(221)	100	(113)	(9)	(122)
June 30, 2020	493	949	(28)	(2,360)	134	36	(8)	(613)	100	(1,297)	90	(1,207)
DEC. 31, 2020	493	950	(37)	(2,363)	141	33	(10)	(675)	238	(1,230)	96	(1,134)
Appropriation of 2020 net profit	-	-	-	238	-	-	-	-	(238)	-	-	-
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-	1	1
- in cash	-	-	-	-	-	-	-	-	-	-	-	-
- cancellation of treasury shares	-	(13)	-	-	-	-	-	-	-	(13)	-	(13)
- options exercised	-	-	-	-	-	-	-	-	-	-	-	-
- dividends reinvested in new shares	6	118	-	-	-	-	-	-	-	124	-	124
Dividends paid ⁽³⁾	-	-	-	(185)	-	-	-	-	-	(185)	(8)	(193)
Changes in consolidation scope ⁽⁴⁾	-	-	-	1	-	-	-	-	-	1	(2)	(1)
Compensation costs – share-based payments	-	-	-	-	2	-	-	-	-	2	-	2
(Acquisitions) disposals of treasury shares	-	-	(5)	-	-	-	-	-	-	(5)	-	(5)
Other ⁽⁵⁾	-	-	-	9	-	-	-	-	-	9	(1)	8
Other comprehensive income	-	-	-	-	-	(15)	-	69	-	54	4	58
Net profit for the period	-	-	-	-	-	-	-	-	133	133	14	147
TOTAL COMPREHENSIVE INCOME	-	-	-	-	-	(15)	-	69	133	187	18	205
June 30, 2021	499	1,055	(42)	(2,300)	143	18	(10)	(606)	133	(1,110)	104	(1,006)

II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

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



This icon indicates an IFRS standard issue.



This icon indicates a definition specific to the Edenred Group.



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



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

NOTE 1 BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

1.1 APPROVAL OF THE FINANCIAL STATEMENTS FOR PUBLICATION

The Edenred Group's condensed consolidated financial statements for the six months ended June 30, 2021 were approved for publication by the Board of Directors on July 26, 2021.

1.2 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS



Pursuant to European Regulation (EC) No. 1606/2002 of July 19, 2002, the Edenred consolidated financial statements for the six months ended June 30, 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting. Since they are condensed financial statements, they do not include all the disclosures required under IFRS for the preparation of complete financial statements and must therefore be read in conjunction with the 2020 consolidated financial statements.

The accounting principles used to prepare the condensed consolidated financial statements are in line with IFRS standards and interpretations, as adopted by the European Union at June 30, 2021, which can be viewed at the following address:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr#overview

The accounting policies used by the Group to prepare the condensed interim consolidated financial statements are the same as those applied to prepare the 2020 consolidated financial statements, with the exception of:

- (1) the standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2021 (Note 11);
- (2) the specific items relating to the preparation of interim financial statements (Note 1.3).

1.3 SPECIFIC ITEMS RELATING TO THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

Income tax

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

Post-employment benefits and other long-term employee benefits

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

In the event of significant changes in certain factors, such as market conditions and plan settlements and curtailments, the actuarial assumptions used by the Group to calculate the employee benefit obligation at the end of interim periods differ from those used at year-end.

1.4 PRESENTATION CURRENCY AND FOREIGN CURRENCIES



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

ISO code	Currency	Country	First-half 2021		Full-year 2020		First-half 2020	
			Closing rate at June 30, 2021	Average rate	Closing rate at Dec. 31, 2020	Average rate	Closing rate at June 30, 2020	Average rate
			EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =
ARS	Peso	ARGENTINA	113.75	113.75	103.26	103.26	78.90	78.90
BRL	Real	BRAZIL	5.91	6.49	6.37	5.89	6.11	5.42
USD	US dollar	UNITED STATES	1.19	1.20	1.23	1.14	1.12	1.10
MXN	Peso	MEXICO	23.58	24.32	24.42	24.54	25.95	23.89
RON	Leu	ROMANIA	4.93	4.90	4.87	4.84	4.84	4.82
GBP	Pound sterling	UNITED KINGDOM	0.86	0.87	0.90	0.89	0.91	0.87
SEK	Krona	SWEDEN	10.11	10.13	10.03	10.49	10.49	10.66
CZK	Koruna	CZECH REPUBLIC	25.49	25.86	26.24	26.46	26.74	26.35
TRY	Lira	TURKEY	10.32	9.52	9.11	8.05	7.68	7.16
VES	Bolivar	VENEZUELA	3.805 348.31	2.701 510.81	1.303 310.73	375 986.70	227 750.63	132 166.92

The impact on attributable consolidated equity of currency translation adjustments was a positive €69 million between December 31, 2020 and June 30, 2021. The difference mainly reflects movements in the following currencies:

ISO code	Currency	Country	JUNE 30, 2021
BRL	Real	BRAZIL	40
USD	US dollar	UNITED STATES	16
MXN	Peso	MEXICO	7
GBP	Pound sterling	UNITED KINGDOM	8

Hyperinflation in Argentina

Argentina has been qualified as a hyperinflationary economy since July 1, 2018. The Group has applied IAS 29 – Financial Reporting in Hyperinflationary Economies to its operations in this country since end-2018.

A EUR/ARS exchange rate of 113.75 has been used. Non-monetary items have been adjusted using the consumer price index published by Argentina's national statistics institute, INDEC.

The impact of the adjustment on the first-half 2021 interim financial statements is not material.

1.5 USE OF JUDGMENTS AND ESTIMATES

1.5.1 Estimates

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

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

The Group has paid particular attention to the impacts of the Covid-19 health crisis when making material estimates, especially in the following areas:

- measurement of goodwill (Note 5.1) and intangible assets (Note 5.2). The Group has taken into account the uncertainties surrounding the Covid-19 health crisis in its measurement of the recoverable amounts of these assets;
- measurement of provisions for recoverable current assets (Note 10.2);
- measurement of deferred tax assets recognized on tax loss carryforwards, taking into account any impacts of the Covid-19 health crisis on taxable income projections.

1.5.2 Judgments

With regard to the impacts of the Covid-19 health crisis, the Group has used judgment to determine the applicable accounting treatment for non-recurring events presented in the financial statements under other income and expenses (Note 10.1). The direct expenses associated with the crisis have been recognized in EBIT (adaptations to workstation, purchases of masks, etc.).

The Covid-19 health crisis has also led the Group to exercise judgment to assess:

- whether there are any indications of impairment of goodwill (Note 5.1) and intangible assets (Note 5.2);
- expected credit losses amid the uncertainty (Note 4.6).

NOTE 2 ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS

La Compagnie des Cartes Carburant (LCCC)

On April 1, 2021, Edenred raised its stake in LCCC to 100% following the exercise of the last call option on the remaining 19.52% of the share capital.

NOTE 3 SIGNIFICANT EVENTS

3.1 PAYMENT OF THE 2020 DIVIDEND

At the Combined General Meeting on May 11, 2021, Edenred shareholders approved the payment of a dividend of €0.75 per share in respect of 2020, with the option of receiving payment of the entire dividend in new shares.

The option for payment of the dividend in new shares ran from May 18 to June 2, 2021. It led to the issuance of 3,004,708 new ordinary Edenred shares, representing 1.22% of the share capital, which were settled and admitted to trading on the Euronext Paris stock market on June 9, 2021.

The new shares carry dividend rights from January 1, 2021 and rank *pari passu* with existing ordinary Edenred shares. Following the issuance, the Company's share capital comprised 249,588,059 shares.

The total dividend amounted to €185 million and included cash dividends of €60 million paid to Group shareholders on June 9, 2021.

3.2 ISSUANCE OF BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW AND/OR EXISTING SHARES (OCEANES)

On June 9, 2021, Edenred announced the issuance of sustainability-linked bonds convertible into and/or exchangeable for new and/or existing shares (OCEANES) for an aggregate amount of €400 million, maturing in seven years in June 2028 (Note 6.4 "Debt and other financial liabilities"). The bonds make no coupon payments but offer investors a premium payment (equivalent to 0.5% of the nominal value) in the event that the Group does not meet its 2025 sustainable development targets.

3.3 SUBSEQUENT EVENTS

None.

NOTE 4 OPERATING ACTIVITY

4.1 OPERATING SEGMENTS



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

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

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

Chief operating decision maker



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

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

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

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

Aggregation



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

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

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

Transactions between segments are not material.

4.1.1 Condensed financial information

Executive management uses the following indicators to track business performance:

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

FIRST-HALF 2021



Income statement

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	First-half 2021
Operating revenue	135	340	204	58	-	736
Other revenue	3	4	11	3	-	21
Total external revenue	137	344	216	60	-	757
Inter-segment revenue	-	6	-	-	(6)	-
TOTAL REVENUE FROM OPERATING SEGMENTS	137	350	216	60	(6)	757
OPERATING EXPENSES	(89)	(200)	(127)	(47)	1	(462)
EBITDA*	49	144	88	13	2	295
EBIT LESS OTHER REVENUE (OPERATING EBIT)	35	116	60	3	(3)	211
EBIT	38	120	72	5	(3)	232

FIRST-HALF 2020



Income statement

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	First-half 2020
Operating revenue	111	300	203	61	-	675
Other revenue	3	5	11	2	-	21
Total external revenue	114	305	214	63	-	696
Inter-segment revenue	-	6	-	-	(6)	-
TOTAL REVENUE FROM OPERATING SEGMENTS	114	311	214	63	(6)	696
OPERATING EXPENSES	(86)	(179)	(128)	(52)	4	(441)
EBITDA	28	126	86	11	4	255
EBIT LESS OTHER REVENUE (OPERATING EBIT)	15	99	57	-	-	171
EBIT	18	104	68	2	-	192



Changes in revenue and earnings

Changes in revenue and earnings between first-half 2020 and first-half 2021 break down as follows:

		Δ First-half 2021/First-half 2020									
				Organic growth		Changes in consolidation scope		Currency effect		Total change	
(in € millions)	First-half 2021	First-half 2020	In €m	As a %	In €m	As a %	In €m	As a %	In €m	As a %	
Operating revenue	736	675	+103	+15.3%	(1)	(0.2)%	(40)	(5.9)%	+61	+9.2%	
Other revenue	21	21	+2	+10.4%	-	(1.7)%	(3)	(12.2)%	-	(3.5)%	
Total external revenue	757	696	+106	+15.2%	(2)	(0.2)%	(43)	(6.1)%	+61	+8.8%	
OPERATING EXPENSES	(462)	(441)	(52)	+11.8%	8	(1.9)%	22	(5.1)%	(21)	+4.9%	
EBITDA	295	255	+53	+20.9%	+7	+2.6%	(20)	(7.9)%	+40	+15.6%	
EBIT LESS OTHER REVENUE (OPERATING EBIT)	211	171	+47	+27.8%	+7	+4.1%	(14)	(8.4)%	+40	+23.5%	
EBIT	232	192	+50	+25.8%	+7	+3.5%	(17)	(8.8)%	+40	+20.5%	



Statement of financial position

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

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	June 30, 2020
Goodwill	160	551	309	475	-	1 495
Intangible assets	74	250	186	131	20	661
Property, plant and equipment	13	72	33	12	21	151
Non-current financial assets and investments in equity-accounted companies	2	63	11	9	55	140
Deferred tax assets	12	50	13	14	23	112
Non-current assets	261	986	552	641	119	2 559
Current assets	1 262	2 869	1 117	316	1 136	6 700
TOTAL ASSETS	1 523	3 855	1 669	957	1 255	9 259
Equity and non-controlling interests	(50)	813	646	607	(3 223)	(1 207)
Non-current liabilities	15	168	79	19	2 989	3 270
Current liabilities	1 558	2 874	944	331	1 489	7 196
TOTAL EQUITY AND LIABILITIES	1 523	3 855	1 669	957	1 255	9 259

4.1.2 Segment information by indicator



TOTAL REVENUE BY REGION

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

Changes in total revenue between first-half 2020 and first-half 2021 break down as follows:

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Total revenue – first-half 2021	137	344	216	60	757
Total revenue – first-half 2020	114	305	214	63	696
Change	+24	+39	+1	(3)	+61
% change	+20,3%	+12,8%	+0,5%	(3,2)%	+8,8%
LIKE-FOR-LIKE CHANGE	+23	+38	+36	+9	+106
LIKE-FOR-LIKE CHANGE AS A %	+20,3%	+12,5%	+16,8%	+13,1%	+15,2%



OPERATING REVENUE BY REGION

Changes in operating revenue between first-half 2020 and first-half 2021 break down by region as follows:

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Operating revenue – first-half 2021	135	340	204	58	736
Operating revenue – first-half 2020	111	300	203	61	675
Change	+24	+40	+1	(4)	+61
% change	+21.1%	+13.3%	+0.8%	(4.6)%	+9.2%
LIKE-FOR-LIKE CHANGE	+23	+39	+35	+7	+104
LIKE-FOR-LIKE CHANGE AS A %	+21.1%	+12.9%	+17.2%	+10.3%	+15.3%

Operating revenue for Brazil amounted to €139 million in first-half 2021, versus €140 million in first-half 2020.



OTHER REVENUE BY REGION

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

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

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Other revenue – first-half 2021	3	4	11	3	21
Other revenue – first-half 2020	3	5	11	2	21
Change	-	(1)	-	+1	-
% change	(8.8)%	(16.6)%	(4.5)%	+43.4%	(3.5)%
LIKE-FOR-LIKE CHANGE	-	(1)	+1	+2	+2
LIKE-FOR-LIKE CHANGE AS A %	(8.8)%	(16.6)%	+10.9%	+104.6%	+10.4%

4.1.3 Operating revenue by business line



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

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

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

In view of the public health situation and the exceptional government measures introduced to postpone the expiry dates of reimbursement rights, the Group has adjusted the recognition of profits on expired vouchers to reflect the new expiry dates.

For the Complementary Solutions business line: revenue corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions. The delivery date is, under IFRS 15, when the performance obligations are extinguished.

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

(in € millions)	Employee Benefits	Fleet & Mobility Solutions	Complementary Solutions	TOTAL
Operating revenue – 2021	448	190	98	736
Operating revenue – 2020	412	173	90	675
Change	+36	+17	+8	+61
% change	+8.8%	+10.1%	+9.4%	+9.2%
LIKE-FOR-LIKE CHANGE	+55	+35	+14	+104
LIKE-FOR-LIKE CHANGE AS A %	+13.4%	+20.1%	+14.8%	+15.3%

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

4.2 OPERATING EXPENSES

(in € millions)	First-half 2021	First-half 2020
Employee benefit expense	(228)	(221)
Cost of sales	(68)	(70)
Business taxes	(19)	(18)
Other operating expenses	(147)	(132)
TOTAL OPERATING EXPENSES	(462)	(441)

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

4.3 EBITDA

EBITDA BY REGION

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
EBITDA – first-half 2021	49	144	88	13	2	295
EBITDA – first-half 2020	28	126	86	11	4	255
Change	+21	+18	+2	+2	(3)	+40
% change	+75.5%	+13.4%	+2.1%	+21.8%	(57.5)%	+15.6%
LIKE-FOR-LIKE CHANGE	+21	+15	+18	+5	(6)	+53
LIKE-FOR-LIKE CHANGE AS A %	+75.5%	+11.9%	+20.6%	+53.5%	(164.5)%	+20.9%

4.4 EBIT LESS OTHER REVENUE (OPERATING EBIT)



EBIT LESS OTHER REVENUE (OPERATING EBIT) BY REGION

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
EBIT less other revenue (operating EBIT) – first-half 2021	35	116	60	3	(3)	211
EBIT less other revenue (operating EBIT) – first-half 2020	15	99	57	-	-	171
Change	+20	+16	+4	+2	(2)	+40
% change	+141,2%	+16,1%	+6,8%	N/A	N/A	+23,5%
LIKE-FOR-LIKE CHANGE	+20	+14	+16	+4	(7)	+47
LIKE-FOR-LIKE CHANGE AS A %	+141,2%	+14,4%	+27,5%	N/A	N/A	+27,8%

4.5 EBIT



EBIT BY REGION

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
EBIT – first-half 2021	38	120	72	5	(3)	232
EBIT – first-half 2020	18	104	68	2	-	192
Change	+20	+16	+4	+3	(3)	+40
% change	+114,7%	+14,7%	+4,8%	+158,5%	N/A	+20,5%
LIKE-FOR-LIKE CHANGE	+20	+14	+17	+6	(7)	+50
LIKE-FOR-LIKE CHANGE AS A %	+114,7%	+13,0%	+24,7%	+275,0%	N/A	+25,8%

4.6 CHANGE IN WORKING CAPITAL AND FUNDS TO BE REDEEMED

<i>(in € millions)</i>	June 30, 2021	Dec. 31, 2020	Change
Inventories, net	27	43	(16)
Trade receivables, net, linked to funds to be redeemed	1,161	1,099	62
Trade receivables, net, not linked to funds to be redeemed	811	644	167
Other receivables, net	421	283	138
WORKING CAPITAL – ASSETS	2,420	2,069	351
Trade payables	(738)	(669)	(69)
Other payables	(1,437)	(1,439)	2
Funds to be redeemed	(4,815)	(4,874)	59
WORKING CAPITAL – LIABILITIES	(6,990)	(6,982)	(8)
NEGATIVE WORKING CAPITAL	(4,570)	(4,913)	343
Current tax liabilities	(31)	(11)	(20)
NET NEGATIVE WORKING CAPITAL (incl. corporate income tax liabilities)	(4,601)	(4,924)	323

At June 30, 2021, working capital stood at negative €4,601 million versus negative €4,924 million at December 31, 2020. The difference in working capital (excluding corporate income tax liabilities) is mainly attributable to:

- a receivable from the French State relating to the €157 million fine paid in the antitrust dispute (Note 10.3);
- a €74 million negative currency effect;
- business seasonality and the first impacts of the economic recovery for a positive €260 million.

<i>(in € millions)</i>	First-half 2021	First-half 2020
Working capital at beginning of period	4,913	4,062
Change in working capital ⁽¹⁾	(415)	448
Acquisitions	0	(26)
Disposals/liquidations	(0)	-
Other non-recurring gains and losses		
Change in impairment of current assets	2	5
Currency translation adjustment	74	(182)
Reclassifications to other balance sheet items	(4)	4
NET CHANGE IN WORKING CAPITAL	(343)	249
WORKING CAPITAL AT END OF PERIOD	4,570	4,311

(1) See section 1.4 "Consolidated statement of cash flows".

The update to the statistical impairment rates used for Group entities' current assets did not lead to any additional material provisions being recognized in the first half of 2021.

4.7 CHANGE IN RESTRICTED CASH



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

Restricted cash corresponds mainly to voucher reserve funds subject to special regulations, including in the following countries: The United Kingdom (€1,003 million), France (€908 million), Belgium (€400 million), Romania (€103 million) and the United States (€94 million).



(in € millions)	First-half 2021	First-half 2020
Restricted cash at beginning of period	2,578	1,864
Change for the period ⁽¹⁾	18	489
Acquisitions	-	-
Currency translation adjustment	53	(58)
Other changes	(2)	-
Net change in restricted cash	69	431
RESTRICTED CASH AT END OF PERIOD	2,647	2,295

(1) See section 1.4 "Consolidated statement of cash flows".

NOTE 5 NON-CURRENT ASSETS

5.1 GOODWILL



<i>(in € millions)</i>	June 30, 2021	Dec. 31, 2020
Goodwill, gross	1,668	1,625
Accumulated amortization and impairment losses	(169)	(168)
GOODWILL, NET	1,499	1,457

No indications of impairment were identified on Group goodwill or non-current assets in 2021.

<i>(in € millions)</i>	June 30, 2021	Dec. 31, 2020
France (mainly Ticket Cadeaux, Proweb CE and Moneo Resto)	160	160
UTA (including Road Account)	169	169
United Kingdom (including Prepay Technologies and TRFC)	148	141
Italy (including Easy Welfare)	92	92
Romania (including Benefit Online)	35	36
Finland	19	19
Slovakia	18	18
Poland (including Timex)	17	17
Sweden	17	18
Czech Republic	13	12
Lithuania (EBV)	12	12
Belgium (including Merits & Benefits and Ekvivita)	11	11
Portugal	6	6
Other (individually representing less than €5 million)	1	-
Europe (excl. France)	558	551
Brazil (including Repom, Embratec and Coopercard)	289	268
Mexico	40	39
Other (individually representing less than €5 million)	11	11
Latin America	340	318
United States (including CSI)	406	393
Dubai (including Mint)	26	26
Japan	9	8
Other (individually representing less than €5 million)	-	1
Rest of the World	441	428
GOODWILL, NET	1,499	1,457



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

<i>(in € millions)</i>	First-half 2021	First-half 2020
NET GOODWILL AT BEGINNING OF PERIOD	1,457	1,604
Increase in gross goodwill and impact of scope changes	-	12
Lithuania (EBV acquisition)	-	12
Other acquisitions	-	-
Goodwill written off on disposals for the period	-	-
Impairment losses	-	-
Currency translation adjustment	42	(111)
Reclassifications and other changes	-	(10)
NET GOODWILL AT END OF PERIOD	1,499	1,495

5.2 INTANGIBLE ASSETS



<i>(in € millions)</i>	June 30, 2021	Dec. 31, 2020
GROSS CARRYING AMOUNT		
Brands	65	66
Customer lists	590	570
Licenses and software	386	365
Other intangible assets	142	125
TOTAL GROSS CARRYING AMOUNT	1,183	1,126
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Brands	(11)	(11)
Customer lists	(184)	(162)
Licenses and software	(263)	(248)
Other intangible assets	(51)	(50)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	(509)	(471)
NET CARRYING AMOUNT	674	655



Changes in the carrying amount of intangible assets

<i>(in € millions)</i>	First-half 2021	First-half 2020
CARRYING AMOUNT AT BEGINNING OF PERIOD	655	706
Intangible assets of newly consolidated companies	-	11
Internally generated assets	43	43
Additions	-	
Amortization for the period	(43)	(41)
Impairment losses for the period		(6)
Currency translation adjustment	19	(66)
Reclassifications	-	14
CARRYING AMOUNT AT END OF PERIOD	674	661

5.3 PROPERTY, PLANT AND EQUIPMENT



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



<i>(in € millions)</i>	June 30, 2021			Dec. 31, 2020		
	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Land	2	-	2	2	-	2
Buildings	18	(7)	11	18	(7)	11
Fixtures and fittings	32	(21)	11	31	(19)	12
Equipment and furniture	104	(80)	24	102	(76)	26
Assets under construction	1	-	1	1	-	1
Right-of-use assets	187	(71)	116	156	(60)	96
Total	344	(179)	165	310	(162)	148



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

<i>(in € millions)</i>	First-half 2021	First-half 2020
CARRYING AMOUNT AT BEGINNING OF PERIOD	148	169
Additions to property, plant and equipment	4	10
Right-of-use assets	32	9
Depreciation for the period	(20)	(22)
Currency translation adjustment	1	(10)
Reclassifications	-	(5)
CARRYING AMOUNT AT END OF PERIOD	165	151

5.4 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

At June 30, 2021, UTA equity-accounted companies consisted mainly of AGES (AGES Maut System GmbH & Co KG and Ages International GmbH & Co KG) and MSC (Mercedes Service Card Beteiligungs GmbH and Mercedes Service Card GmbH & Co KG).

Change in investments in equity-accounted companies:

<i>(in € millions)</i>	First-half 2021	First-half 2020
Investments in equity-accounted companies at beginning of period	64	69
Additions to investments in equity-accounted companies	3	
Share of net profit from equity-accounted companies	4	6
Capital increase	1	1
Currency effect	-	(1)
Dividends received from investments in equity-accounted companies	(14)	(11)
Investments in equity-accounted companies at end of period	58	64

5.5 DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

<i>(in € millions)</i>	First-half 2021	First-half 2020
Amortization of fair value adjustments to assets acquired in business combinations	(17)	(20)
Amortization of intangible assets	(26)	(21)
Depreciation of property, plant and equipment	(6)	(8)
Depreciation of right-of-use assets	(14)	(14)
TOTAL	(63)	(63)

NOTE 6 FINANCIAL ITEMS

6.1 NET FINANCIAL EXPENSE



<i>(in € millions)</i>	First-half 2021	First-half 2020
Gross borrowing cost	(26)	(26)
Hedging instruments	10	9
Income from cash and cash equivalents and other marketable securities	10	11
Net borrowing cost	(6)	(6)
Net foreign exchange gains (losses)	(1)	(1)
Other financial income	2	2
Other financial expenses	(4)	(10)
NET FINANCIAL EXPENSE	(9)	(15)

Gross borrowing costs for first-half 2021 include amortization of bond issuance costs for €5 million and interest income on Neu CP issued at negative interest rates.

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

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

6.2 FINANCIAL ASSETS



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

6.2.1 Non-current financial assets

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



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Equity interests	68	(2)	66	59	(2)	57
Deposits and guarantees	19	-	19	18	-	18
Other non-current financial assets	57	(1)	56	58	(1)	57
NON-CURRENT FINANCIAL ASSETS	144	(3)	141	135	(3)	132

6.2.2 Current financial assets



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Other current financial assets	7	(3)	4	5	(3)	2
Derivatives	76	-	76	128	-	128
CURRENT FINANCIAL ASSETS	83	(3)	80	133	(3)	130

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

Derivatives are recognized according to IFRS 9 – Financial Instruments. Their accounting treatment is detailed in Note 6.6 “Financial instruments and market risk management” to the consolidated financial statements for the year ended December 31, 2020.

6.3 CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES



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



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Cash at bank and on hand	779		779	628	-	628
Term deposits and equivalent – less than 3 months	477		477	471	-	471
Bonds and other negotiable debt securities	28		28	-	-	-
Mutual fund units in cash – less than 3 months	38		38	26	-	26
CASH AND CASH EQUIVALENTS	1,322		1,322	1,125		1,125
Term deposits and equivalent – more than 3 months	548	(1)	547	765	(1)	764
Bonds and other negotiable debt securities	316		316	256		256
Mutual fund units in cash – more than 3 months	1		1	1		1
OTHER MARKETABLE SECURITIES	865	(1)	864	1,022	(1)	1,021
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	2,187	(1)	2,186	2,147	(1)	2,146

6.4 DEBT AND OTHER FINANCIAL LIABILITIES



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Convertible bonds	883		883	500		500
Non-bank debt	2,156	231	2,387	2,414	113	2,527
Bank borrowings	10	20	30	14	44	58
Neu CP		100	100	-	-	-
Bank overdrafts		121	121	-	109	109
DEBT	3,049	472	3,521	2,928	266	3,194
Lease liabilities	93	27	120	74	28	102
Deposits and guarantees	21	4	25	19	5	24
Put options over non-controlling interests	7	32	39	6	60	66
Derivatives		6	6		2	2
Other	3	1	4		3	3
OTHER FINANCIAL LIABILITIES	124	70	194	99	98	197
DEBT AND OTHER FINANCIAL LIABILITIES	3,173	542	3,715	3,027	364	3,391

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

Debt

Convertible bonds and non-bank debt

On June 14, 2021, Edenred issued sustainability-linked bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) for an aggregate nominal amount of approximately €400 million. The OCEANEs, which do not bear interest, were issued at a price equal to 100.875% of their nominal value, corresponding to a gross yield to maturity of -0.12% and an IFRS yield of +0.54%. They are convertible at a price of €64.79, representing a conversion premium of 37.5%. Bonds that have not been converted, redeemed or retired and canceled will be redeemed at par on June 14, 2028.

In accordance with the Sustainability-Linked Bond Framework, if two of the three key performance indicators concerning sustainable development have not been met by December 31, 2025, the Group will pay an amount equal to 0.50% of the nominal value. The three key performance indicators, taken from the Group's ten sustainable development indicators, relate to gender diversity, greenhouse gas emissions reduction and awareness of balanced nutrition and food waste among users and merchants.

The OCEANEs comprise a debt component, measured at the inception date using market interest rates applicable to equivalent non-convertible bonds and recognized in non-current debt, and an option component, recognized in equity. At June 30, 2021, the debt component was measured at €385 million and the option component at €18 million. At June 30, 2021, the Group's gross outstanding bond position amounted to €3,225 million, which breaks down as follows:

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

* Convertible bonds (OCEANEs).

At December 31, 2020, the gross outstanding bond position amounted to €2,825 million.

Issuance date	Amount in €m	Coupon	Maturity
June 18, 2020	600	1.375%	9 years June 18, 2029
September 6, 2019	500*	0%	5 years September 6, 2024
December 6, 2018	500	1.875%	7 years & 3 months March 6, 2026
March 30, 2017	500	1.875%	10 years March 30, 2027
March 10, 2015	500	1.375%	10 years March 10, 2025
May 23, 2012	225	3.75%	10 years May 23, 2022
Gross outstanding bond position	2,825		

* Convertible bonds (OCEANEs).

Other non-bank debt

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

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

At December 31, 2020, there was €145 million outstanding under the Schuldschein loan.

Issuance date	Rate	Amount in €m	Maturity
June 29, 2016	1.05% Fixed	45	5 years June 29, 2021
June 29, 2016	Euribor 6 months * +105 bps Variable	68	5 years June 29, 2021
June 29, 2016	1.47% Fixed	32	7 years June 29, 2023
Total Schuldschein loan		145	

* 6-month Euribor with a 0% floor.

Bank borrowings

Outstanding bank borrowings at June 30, 2021 amounted to €30 million.

Neu CP and Neu MTN programs

At June 30, 2021, current debt outstanding under the Negotiable European Commercial Paper (Neu CP) program stood at €100 million, out of a total authorized amount of €750 million. The €250 million Negotiable European Medium-Term Note (Neu MTN) program had not been used at that date.

Maturity analysis – carrying amounts

At June 30, 2021



(in € millions)	First-half 2022	First-half 2023	First-half 2024	First-half 2025	First-half 2026	First-half 2027 and beyond	June 30, 2021
Convertible bonds	-	-	-	500	-	383	883
Non-bank debt	231	32	-	490	517	1,117	2,387
Bank borrowings	20	7	3	-	-	-	30
Neu CP	100	-	-	-	-	-	100
BANK OVERDRAFTS	121	-	-	-	-	-	121
DEBT	472	39	3	990	517	1,500	3,521
Lease liabilities	27	23	18	15	13	24	120
Deposits and guarantees	4	21	-	-	-	-	25
Put options over non-controlling interests	32	1	1	-	-	5	39
Derivatives	6	-	-	-	-	-	6
Other	1	3	-	-	-	-	4
OTHER FINANCIAL LIABILITIES	70	48	19	15	13	29	194
TOTAL	542	87	22	1,005	530	1,529	3,715

At December 31, 2020



(in € millions)	2021	2022	2023	2024	2025	2026 and beyond	Dec. 31, 2020
Convertible bonds	-	-	-	500	-	-	500
Non-bank debt	113	233	32	-	492	1,657	2,527
Bank borrowings	44	9	4	1	-	-	58
Neu CP	-	-	-	-	-	-	-
Bank overdrafts	109	-	-	-	-	-	109
DEBT	266	242	36	501	492	1,657	3,194
Lease liabilities	28	24	18	10	8	14	102
Deposits and guarantees	5	19	-	-	-	-	24
Put options over non-controlling interests	60	-	-	1	-	5	66
Derivatives	2	-	-	-	-	-	2
Other	3	-	-	-	-	-	3
OTHER FINANCIAL LIABILITIES	98	43	18	11	8	19	197
TOTAL	364	285	54	512	500	1,676	3,391

6.5 NET DEBT AND NET CASH



<i>(in € millions)</i>	June 30, 2021	Dec. 31, 2020
Non-current debt	3,049	2,928
Other non-current financial liabilities	124	99
Current debt	351	157
Other current financial liabilities	70	98
Bank overdrafts	121	109
DEBT AND OTHER FINANCIAL LIABILITIES	3,715	3,391
Current financial assets	(80)	(130)
Other marketable securities	(864)	(1,021)
Cash and cash equivalents	(1,322)	(1,125)
CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	(2,266)	(2,276)
NET DEBT	1,449	1,115

Other non-current and current financial liabilities include lease liabilities in an amount of €99 million.

<i>(in € millions)</i>	First-half 2021	First-half 2020
Net debt at beginning of period	1,115	1,290
Increase (decrease) in non-current debt	121	510
Increase (decrease) in other non-current financial liabilities	25	(10)
Decrease (increase) in other marketable securities	157	(271)
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	(185)	(107)
Increase (decrease) in other financial assets and liabilities	216	89
Increase (decrease) in net debt	334	211
NET DEBT AT END OF PERIOD	1,449	1,501

6.6 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

Interest rate risk: fixed/variable interest rate analysis

- ▶ Hedging impact
 - Before hedging

Debt before interest rate hedging breaks down as follows:



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt ⁽¹⁾	3,399	1.3%	100%	2,985	1.5%	97%
Variable-rate debt	1	5.9%	0%	100	1.7%	3%
DEBT*	3,400	1.3%	100%	3,085	1.5%	100%

* Debt excluding bank overdrafts.

(1) The rates mentioned for fixed-rate debt correspond to the contractual rates (i.e., 3.750%, 1.375% and 1.875%) applied to the exact number of days in the year divided by 360.

- After hedging

Debt after interest rate hedging breaks down as follows:



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt	1,361	0.5%	40%	924	0.6%	30%
Variable-rate debt	2,039	0.8%	60%	2,161	0.8%	70%
DEBT*	3,400	0.7%	100%	3,085	0.8%	100%

* Debt excluding bank overdrafts.

Foreign exchange risk: currency analysis

- ▶ Hedging impact
 - Before hedging

Debt before currency hedging breaks down as follows:



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3,387	1.3%	100%	3,048	1.4%	99%
Other currencies	13	6.2%	0%	37	3.2%	1%
DEBT*	3,400	1.3%	100%	3,085	1.5%	100%

* Debt excluding bank overdrafts.

- After hedging

Debt after currency hedging breaks down as follows:



(in € millions)	June 30, 2021			Dec. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3,356	0.7%	99%	3,017	0.7%	98%
Other currencies	44	2.7%	1%	68	2.3%	2%
DEBT*	3,400	0.7%	100%	3,085	0.8%	100%

* Debt excluding bank overdrafts.

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

These interest rate swaps represent a total notional amount of €2,107 million relating to an underlying debt of €2,289 million. At June 30, 2021, the derivatives had a fair value of €60 million.

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

NOTE 7 INCOME TAX – EFFECTIVE TAX RATE

The effective tax rate is calculated based on:

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

Based on these calculations, the effective tax rate changed from 33.5% in first-half 2020 to 33.3% in first-half 2021.

The situation arising from the Covid-19 health crisis had no impact on taxable income projections, resulting in the derecognition of previously recorded deferred tax assets on tax loss carryforwards.

NOTE 8 EARNINGS PER SHARE



At June 30, 2021, the Company's share capital was made up of 249,588,059 shares.

At June 30, 2021, the number of shares outstanding and the weighted average number of shares outstanding broke down as follows:

<i>(in shares)</i>	First-half 2021	First-half 2020
SHARE CAPITAL AT END OF PERIOD	249,588,059	246,583,351
Number of shares outstanding at beginning of period	245,905,514	242,067,214
Number of shares issued for dividend payments	3,004,708	3,378,494
Number of shares issued on conversion of performance share plans	282,008	780,301
Number of shares issued on conversion of stock option plans	-	30,150
Number of shares canceled	(282,008)	(810,451)
Issued shares at period-end excluding treasury shares	3,004,708	3,378,494
Treasury shares not related to the liquidity contract	280,227	426,611
Treasury shares under the liquidity contract	(55,393)	(55,236)
Treasury shares	224,834	371,375
NUMBER OF SHARES OUTSTANDING AT END OF PERIOD	249,135,056	245,817,083
Adjustment to calculate weighted average number of issued shares	(2,654,159)	(2,934,931)
Adjustment to calculate weighted average number of treasury shares	14,784	(52,875)
Total weighted average adjustment	(2,639,375)	(2,987,806)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR	246,495,681	242,829,277

In addition, 1,507,182 performance shares were granted to employees between 2019 and 2021. Conversion of all of these potential shares, and of the 14,353,082 convertible bonds, would increase the number of shares outstanding to 264,995,320.

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

- from January 1, 2020 to June 30, 2021 for Plans 11, 12 and 13 (€46.64);
- from May 11, 2021 to June 30, 2021 for Plan 14 (€47.16);

the diluted weighted average number of shares outstanding at June 30, 2021 was 261,693,821.



	First-half 2021	First-half 2020
Net profit attributable to owners of the parent (in € millions)	133	100
Weighted average number of issued shares (in thousands)	246,934	243,648
Weighted average number of treasury shares (in thousands)	(438)	(819)
Number of shares used to calculate basic earnings per share (in thousands)	246,496	242,829
BASIC EARNINGS PER SHARE (in €)	0.54	0.41
Number of shares resulting from the exercise of stock options (in thousands)	-	-
Number of shares resulting from performance share grants (in thousands)	845	1,041
Convertible bonds (in thousands)	14,353	
Number of shares used to calculate diluted earnings per share (in thousands)	261,694	243,871
DILUTED EARNINGS PER SHARE (in €)	0.51	0.41

NOTE 9 EMPLOYEE BENEFITS

9.1 SHARE-BASED PAYMENTS

► Main characteristics

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

Under the three-year Plan 14, the 527,258 shares granted on May 11, 2021 will vest on May 11, 2024 provided that several performance conditions are met.

Fulfillment of the performance conditions will be assessed over the period from January 1, 2021 to December 31, 2023, based on the degree to which the following objectives have been met:

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

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

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

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

Depending on the actual percentage of fulfillment of each of the plan's three performance conditions, the percentage of fulfillment of each performance condition may reach a maximum of 150% and the conditions can offset each other, when one condition is exceeded and another is not met or only partially met. However, the total number of vested shares may not exceed 100% of the initial amount of shares granted.

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

► Fair value of performance share plans



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

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

The current fair value of Plan 14 is €40.31 per share, compared with a share price of €45.56 on May 11, 2021, the grant date.

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. The total cost recognized in respect of the 2021 plan amounted to €0.7 million in first-half 2021.

NOTE 10 OTHER PROVISIONS AND OBLIGATIONS

10.1 OTHER INCOME AND EXPENSES



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

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

Other income and expenses can be analyzed as follows:



<i>(in € millions)</i>	First-half 2021	First-half 2020
Movements in restructuring provisions	-	-
Restructuring and reorganization costs	(3)	(4)
Restructuring expenses	(3)	(4)
Impairment of property, plant and equipment	-	-
Impairment of intangible assets	-	(6)
Impairment of assets	-	(6)
Capital gains and losses	(2)	(1)
Reclassification of currency translation adjustments	-	1
Movements in provisions	-	5
Non-recurring gains (losses)	(2)	(8)
Other	(4)	(3)
TOTAL OTHER INCOME AND EXPENSES*	(7)	(13)

* Net cash costs included under this caption amounted to €7 million in first-half 2021 and €13 million in first-half 2020.

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

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

Other income and expenses in first-half 2020 were primarily as follows:

- restructuring costs for €4 million;
- additional impairment of technologically obsolete assets in Brazil for €3 million, in France for €2 million and in Mexico for €1 million;
- reversal of a provision relating to the ICSID dispute with the Hungarian government for €6 million (see Note 10.3 "Claims, litigation and tax risk");
- recognition of a €7 million loss during a platform migration in Mexico and the transfer of the historical balances of client cards.

10.2 PROVISIONS



Movements in non-current provisions between January 1, 2021 and June 30, 2021 can be analyzed as follows:

(in € millions)	DEC. 31, 2020	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	JUNE 30, 2021
- Provisions for pensions and loyalty bonuses	27	(0)	1	-	(0)	1	0	29
- Provisions for claims and litigation and other contingencies	6	-	1	-	(0)	-	0	7
TOTAL NON-CURRENT PROVISIONS	33	(0)	2	-	(0)	1	0	36



Movements in current provisions between January 1, 2021 and June 30, 2021 can be analyzed as follows:

(in € millions)	DEC. 31, 2020	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	JUNE 30, 2021
- Restructuring provisions	8	-	2	(3)	(1)	0	(0)	6
- Provisions for claims and litigation and other contingencies	8	-	5	(2)	-	(0)	(3)	8
TOTAL CURRENT PROVISIONS	16	-	7	(5)	(1)	0	(3)	14

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

10.3 CLAIMS, LITIGATION AND TAX RISK

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

Antitrust dispute in France

On October 9, 2015, the French company Octoplus filed a complaint with the French Antitrust Authority against several French companies in the meal voucher sector, including Edenred France. The Antitrust Authority's board met on April 5, 2016 and on July 7, 2016 to hear all the parties concerned as well as the investigation departments. On October 6, 2016, the Antitrust Authority decided to pursue its investigations without passing provisional measures against Edenred France.

On February 27, 2019, the investigation departments provided Edenred France with their final report, which contained two complaints dating from the early 2000s concerning information sharing through the Centrale de Remboursement des Titres (CRT) and the use of the CRT to lock up the meal voucher market. Edenred submitted its observations to the Antitrust Authority on April 29, 2019. On December 17, 2019, the Antitrust Authority announced that it had decided to fine Edenred €157 million on the grounds of the above two complaints. Edenred received an official request from the French tax authorities to pay the

fine. In response, Edenred requested a stay of payment until March 31, 2021 with no impact on the fine, by providing a surety in the same amount. On March 31, 2021, Edenred paid the fine of an amount of €157 million (Note 4.6) and cancelled the related sureties.

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

Dispute with Kering (formerly PPR, which has been substituted for Fnac in the procedure) and Conforama

Edenred France (to which the rights of Accentiv' Kadéos were transferred) is involved in a dispute with Fnac and Conforama, two members of its gift solution acceptance and distribution network. The litigation concerns the breach by both companies of some of their contractual obligations, particularly the exclusive distribution of the Kadéos® card applicable until December 31, 2011.

In a decision on the merits of the case handed down on March 14, 2016, the Paris Commercial Court ordered Kering and Conforama to pay Edenred France an additional €7 million for damages sustained as well as €100,000 as compensation for the lawsuit brought by Kering and Conforama, which was considered to represent an abuse of process.

In a ruling handed down on December 12, 2018, the Paris Court of Appeal ordered Edenred France to return the above amounts that it had received in penalties and damages. Edenred France opposes the Court of Appeal's ruling and has brought the matter before the Court of Cassation. In the meantime, the penalties and damages totaling €19 million were repaid by Edenred France on January 24, 2019. This amount had been fully provisioned at December 31, 2018.

The Court of Cassation delivered its verdict on May 12, 2021, upholding the Paris Court of Appeal's ruling.

Edenred S.E. tax audit

In 2018 and 2019, a tax audit was carried out at Edenred S.E., covering the period from 2014 to 2016.

In December 2018, the tax authorities notified the Company of a proposed reassessment of the tax paid in 2014.

Notification of the proposed reassessments of tax paid in 2015 and 2016 was received by the Company in July 2019.

As originally expected, the tax authorities reduced the 2014 reassessment to align its position with that adopted with regard to 2015 and 2016.

The Company has contested the reassessments and filed a claim with the national tax board in early 2019. Following a sitting on January 24, 2020, the tax board issued an opinion against the reassessment. The tax authorities nevertheless maintained the reassessment.

After meeting with the departmental representative (*interlocuteur départemental*) to discuss the matter on October 7, 2020, Edenred continued talks with the French National and International Audit Department (DNVI), reaching an agreement on the brand royalty rates. A collection procedure was initiated in June 2021 to recover the corporate income, CVAE and withholding taxes.

NOTE 11 UPDATE ON ACCOUNTING STANDARDS

11.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE FOR REPORTING PERIODS BEGINNING ON OR AFTER JANUARY 1, 2021

The following standards, amendments and interpretations adopted by the European Union became effective on January 1, 2021 under the Interest Rate Benchmark Reform:

- Amendment to IFRS 4 – Insurance Contracts;
- Amendment to IFRS 7 – Financial Instruments: Disclosures;
- Amendment to IFRS 9 – Financial Instruments;
- Amendment to IFRS 16 – Leases;
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement.

These amendments are effective for annual reporting periods beginning on or after January 1, 2021.

Their application had no material impact on the periods presented.

11.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS EFFECTIVE AFTER 2021

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

The following standards, amendments and interpretations published by the IASB have not yet been adopted by the European Union:

- IFRS 17 – Insurance Contracts;
- Amendments to IFRS 17;
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies;
- Amendments to IFRS 3 – Reference to the Conceptual Framework;
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use;
- Amendment to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 8 – Definition of Accounting Estimates;
- Amendments to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021.

The Edenred Group chose not to early adopt these standards, amendments and interpretations at January 1, 2021. Their application is currently being analyzed.

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AUDITORS' REVIEW REPORT ON THE HALF YEAR CONSOLIDATED FINANCIAL STATEMENTS

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

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

For the period from January 1 to June 30, 2021

To the Shareholders,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of Edenred, for the period from January 1st to June 30th, 2021.
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

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

1. Conclusion on the financial statements

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

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

2. Specific verification

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

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

Paris-La Défense, July 27, 2021

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIÉS

Patrick E. Suissa

ERNST & YOUNG Audit

Pierre Jouanne

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DECLARATION BY PERSONS RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

STATEMENT BY THE PERSON RESPONSIBLE FOR THE 2021 HALF-YEAR FINANCIAL REPORT

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

Issy-les-Moulineaux – July 27, 2021

Bertrand Dumazy

Chairman and Chief Executive Officer