2020
HALF-YEAR
FINANCIAL REPORT

Contents

1

HALF-YEAR MANAGEMENT REPORT

I. First-Half 2020 results

1.1 . INTRODUCTION

Good resilience shown by the Group in the first half and a strong rebound in June, as lockdown measures were gradually lifted in Europe

- **Total revenue**: €**696** million, down **4.8%** like-for-like and 10.4% as reported versus first-half 2019
- **Operating revenue** down **4.6%** like-for-like, reflecting a 6.6% increase in the first quarter and a 15.4% decrease in the second quarter
    - **Strong rebound in June**: down 9% like-for-like after declines of 19% and 18% in April and May
- **EBITDA** of €**255** million, down **12.8%** on an organic basis and 17.8% as reported
- **Free cash flow generation** of €**113** million versus a negative €13 million in first-half 2019, reflecting a temporary extension of retention times for funds allocated to users, a consequence of the health crisis
- **Net profit, Group share** of €**100** million

2020 outlook

- Continued gradual recovery in Europe and a still uncertain environment in the Americas region. The second half is expected to bring a return to year-on-year organic growth in operating revenue, on a monthly basis
- Confirmation of the €100 million cost savings plan for 2020 and the selective downward adjustment in intended capital expenditure for the year
- **2020 EBITDA target of between €540 million and €610 million**[1]
- **Net debt/EBITDA ratio target of under 2.8 at December 31, 2020**

***

[1] Calculated based on an assumption of an average Brazilian real/euro exchange rate for the second half of 2020 equal to the closing spot rate on June 30, 2020.

Due to the current situation in Venezuela, the like-for-like performance and the currency effect are temporarily calculated excluding the country. Changes are calculated based on 2019 pro forma figures, which reflect the change in the breakdown between operating revenue and other revenue within total revenue in Brazil, effective since fourth-quarter 2019 and with no impact on full-year 2019 total revenue. *See the appendices, page 18.*

At its meeting on July 24, 2020, the Board of Directors reviewed the Group's consolidated financial statements for the six months ended June 30, 2020.

First-half 2020 key financial metrics:

(in € millions)	**First-half 2020**	**First-half 2019**	**% change (reported)**	**% change (like-for-like)**
Operating revenue	675	751	-10.2%	-4.6%
Other revenue (A)	21	26	-18.4%	-9.2%
Total revenue	**696**	**777**	**-10.4%**	**-4.8%**
EBITDA	**255**	**310**	**-17.8%**	**-12.8%**
Operating EBIT (B)	171	223	-23.4%	-18.7%
EBIT (A + B)	**192**	**249**	**-22.8%**	**-17.7%**
Net profit, Group share	**100**	**146**	**-31.4%**	

1.2 . ANALYSIS OF CONSOLIDATED FINANCIAL RESULTS

1.2.1 Total revenue

Total revenue for first-half 2020 amounted to **€696 million**, down 4.8% like-for-like compared with first-half 2019. The figure was down 10.4% on a reported basis, reflecting unfavorable currency effects (-6.1%) and a slightly positive scope effect (+0.4%) during the period. Total revenue for the second quarter dropped by 15.5% like-for-like and 23.6% as reported, and included a negative currency effect (-8.3%) and a positive scope effect (+0.3%).

1.2.1.1 Operating revenue

Operating revenue for the first six months of 2020 came to €675 million, down 4.6% like-for-like. On a reported basis, an unfavorable currency effect (-6.0%) and a slightly positive scope effect (+0.4%) resulted in a decrease of 10.2%. On a like-for-like basis, operating revenue rose by 6.6% in the first quarter before retreating by 15.4% in the second quarter.

This performance reflects double-digit growth in the first two months of the year, prior to the implementation of lockdown measures, which led to a steep decline in business starting in mid-March. June (down just 9% like-for-like after declines of 19% and 18% in April and May, respectively) saw a sharp upturn in business as lockdown measures were gradually lifted in most European countries, while the epidemic was yet to reach its peak in Latin America and the United States.

Thanks to its highly digitalized offering and multi-local organization, Edenred has demonstrated good resilience in the face of this crisis. With digital solutions representing more than 86% of business volume, the Group was able to take swift action to continue serving its clients and meet the specific challenges associated with the crisis. Widespread adoption of homeworking arrangements and the implementation of public health measures accelerated Edenred's transition to digital solutions. The crisis also led to the increased use of earmarked funds programs by companies and governments alike.

- **Operating revenue by business line**

(in € millions)	First-half 2020	First-half 2019	% change (reported)	% change (like-for-like)
Employee Benefits	412	473	-12.9%	-8.7%
Fleet & Mobility Solutions	173	194	-10.7%	-1.4%
Complementary Solutions	90	84	+6.1%	+11.0%
Total	**675**	**751**	**-10.2%**	**-4.6%**

The **Employee Benefits** business line, which accounted for **61%** of the Group's business, generated **€412 million** in operating revenue in first-half 2020, representing a like-for-like decrease of **8.7%** (-12.9% as reported), including a 20.6% like-for-like decline (-26.6% as reported) in the second quarter. The business line's performance reflects strong growth through to mid-March – illustrating the effectiveness of the business drivers deployed under the Next Frontier plan – and then the impact of the lockdown measures implemented first in Europe and subsequently in Latin America:

- Employees subject to short-time working arrangements only receive their benefits pro rata to the days worked, leading to a decline in issue volume and therefore in revenue.
- Additionally, as stores were closed, employees were temporarily using less of the benefits they continued to receive, resulting in a delay in revenue generated by Edenred with partner merchants.

During the crisis, Edenred has accelerated the digital migration of its Employee Benefits, with the share of digitalized business volume expanding by 9 points in Europe compared with first-half 2019. The Group has also seen the adoption rate for its app-to-app payment solutions sharply increase, with close to 30% of Ticket Restaurant card holders in France now able to pay for their meals on delivery platforms. In Brazil, where this service was launched in March, more than 600,000 transactions have already been carried out via Uber Eats, iFood and Rappi.

As lockdowns are lifted one by one across Europe, the Group has observed a gradual return to normal for its clients – with short-time working arrangements being brought to an end – and for employee users as restaurants reopen.

In the **Fleet & Mobility Solutions** business line, which accounted for **26%** of the Group's business, operating revenue inched down **1.4%** over the period on a like-for-like basis (-10.7% as reported) to **€173 million**, and by 14.3% in the second quarter (-27.0% as reported). The heavy fleet segment proved more resilient than light fleets during the lockdown, gradually returning to normal as restrictions were eased in the different countries, while the light vehicle business saw a more pronounced rebound. The Group pursued its innovation strategy during the period, with the launch of a fleet management portal in Europe (UTA Fleet Manager).

The **Complementary Solutions** business line, which includes Corporate Payment Services, Incentive & Rewards and Public Social Programs, generated operating revenue of **€90 million** for the period, versus

€84 million for first-half 2019, representing an increase of **11%** like-for-like and an increase of 6.1% as reported. Like-for-like growth came to 9.9% in the second quarter.

This strong rise was notably driven by the launch of new specific earmarked funds programs designed notably to help public authorities effectively combat the impacts of Covid-19. For example, one program saw Edenred digitally distribute funds earmarked for food to 1.3 million British school children who usually receive free school lunches. In Italy and Brazil, food aid was provided to the disadvantaged in the form of meal vouchers in partnership with local authorities and NGOs.

Corporate Payment Services were heavily impacted by the decline in platform-based transactions, particularly in the hospitality, travel and media sectors. However, the crisis has sparked a growing interest for these innovative and secure digital payment solutions as an alternative to conventional payment methods.

- **Operating revenue by region**

(in € millions)	First-half 2020	First-half 2019	% change (reported)	% change (like-for-like)
Europe	411	422	-2.6%	-3.5%
Latin America	203	269	-24.5%	-8.1%
Rest of the World	61	60	+1.0%	+3.5%
Total	**675**	**751**	**-10.2%**	**-4.6%**

In **Europe**, operating revenue totaled **€411 million**, slipping by **3.5%** like-for-like versus first-half 2019 (-2.6% as reported), including a 13.1% contraction in the second quarter. The region represented **61%** of Group operating revenue.

In **France**, operating revenue amounted to **€111 million**, a decrease of **13.5%** like-for-like and as reported. In the second quarter, operating revenue was down 31.3% like-for-like. After having been one of Europe's hardest hit countries in terms of lockdown and short-time working measures in April and May, France saw a strong rebound in business in June, with client orders for all solutions up compared with the same month in 2019. In Employee Benefits, government measures to revive the catering industry are beginning to deliver results. On June 12, the standard daily limit on the use of Ticket Restaurant in food outlets was doubled, triggering a 50% increase in employee users' average digital basket. At end-June, a portion of the funds allocated to employees and accumulated during lockdown had not yet been spent, representing a pool of revenue for Edenred that will be realized as the funds are spent in the merchant network over the coming months.

Operating revenue in **Europe excluding France** totaled **€300 million** in first-half 2020, up **0.8%** like-for-like (+2.1% as reported). In the second quarter, operating revenue contracted by 5.9% like-for-like. In Employee Benefits, conditions improved to varying degrees from one country to another in the second quarter, with the strength of the recovery largely depending on the timing of lockdown easing. Regarding Fleet & Mobility Solutions, business in continental Europe started regaining ground, while in the United Kingdom, TRFC continued to be impacted by the lockdown measures still in place at end-June. Operating revenue for Complementary Solutions expanded during the period, notably thanks to the new specific funds program launched in April for British school children on behalf of the UK Department for Education.

Operating revenue in **Latin America** amounted to **€203 million**, down **8.1%** like-for-like in the first half (-24.5% as reported), with a 20.4% like-for-like decrease in the second quarter. The health situation in the region, which represented **30%** of the Group's operating revenue, remains poor, with the Covid-19 epidemic yet to reach its peak at end-June.

In **Brazil**, operating revenue fell by **8.2%** like-for-like (-26.2% as reported) in the first six months of the year, including a 22.2% like-for-like decrease in the second quarter. In Employee Benefits, a business line impacted by temporary restaurant closures, app-to-app payment solutions for meal delivery platforms have enjoyed a fast adoption rate since they were launched in March. In Fleet & Mobility Solutions, the heavy fleet segment proved more resilient than light fleets, notably reflecting a good harvest season. In addition, fuel prices had a negative impact in the period.

In **Hispanic Latin America**, operating revenue decreased by **8.0%** like-for-like over the period (-20.6% as reported), with a 16.0% like-for-like decline in the second quarter. Within the region, Mexico felt the impact of the crisis in its two business lines, with Fleet & Mobility Solutions weighed down by the drop in fuel prices during the period.

In the **Rest of the World**, operating revenue amounted to **€61 million**, up **3.5%** like-for-like and up 1.0% as reported over the period. In the second quarter, operating revenue shrank by 9.8% like-for-like. The digital coupon business in Taiwan enjoyed strong growth, while activity in North America continued to be strongly impacted by lockdown measures.

1.2.1.2 Other revenue

Other revenue for first-half 2020 came to €**21** million, down **9.2%** like-for-like and down 18.4% as reported. In the second quarter, other revenue decreased by 14.7% like-for-like and by 27.9% as reported. During the first six months of the year, despite the increase in the float as a result of the temporary extension of the retention time for allocated funds, interest rates decreased across the board worldwide, notably in non-eurozone countries. On a reported basis, other revenue was also impacted by unfavorable changes in exchange rates, notably in Latin America.

1.2.2 EBITDA

EBITDA amounted to **€255 million** in first-half 2020, versus €310 million in the prior-year period, down **12.8% like-for-like** and 17.8% as reported. The EBITDA margin came in at 36.7%, down 3.3 points year-on-year.

1.2.3 EBIT

In the six months to June 30, 2020, EBIT, which comprises operating EBIT plus other revenue, came to **€192 million**, a contraction of **17.7%** like-for-like. The currency effect reduced EBIT by 7.5%, while the scope effect increased it by 2.4%, resulting in a 22.8% reduction in EBIT as reported.

Operating EBIT retreated by 18.7% like-for-like, and by **23.4% as reported,** to **€171 million**.

- **Operating EBIT by region :**

(in € millions)	First-half 2020	First-half 2019	% change (reported)	% change (like-for-like)
Europe	114	130	-11.9%	-11.9%
Latin America	57	94	-40.0%	-23.4%
Rest of the World	0	7	-97.9%	-121.2%
Holding and others	0	(8)	-96.9%	-47.7%
Total	**171**	**223**	**-23.4%**	**-18.7%**

In Europe, operating EBIT declined by 11.9% like-for-like and as reported. In Latin America, the contraction in operating EBIT came to 23.4% like-for-like and to 40.0% as reported.

The Group's operating EBIT margin came out at 25.3% for first-half 2020, down 4.4 points versus 2019, both like-for-like and as reported. During the first quarter, the Group's expenses rose in line with the sharp increase in revenue, before falling due to a double-digit decline in business from mid-March. In response to the crisis, the Group launched a plan at the end of the first quarter to save €100 million in costs compared with the 2020 budget while preserving its technological innovation and development capabilities. The effects of the plan will be felt to a greater extent in the second half and, combined with the gradual recovery in business, will have a positive impact on operating leverage compared with the first half.

1.2.4 Financial result

Net financial expense amounted to **€15 million** in first-half 2020 compared with €14 million in the year-earlier period.

Gross borrowing costs for first-half 2020 include amortization of bond issuance costs for €5 million.

Hedging instruments are related 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, miscellaneous banking expenses and interest, and financial provisions.

1.2.5 Operating Profit before tax

Profit before tax stands at **170 million** versus €229 million at June 30, 2019.

1.2.6 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.

1.2.7 Net profit

Net profit, Group share totaled €100 million for first-half 2020. This figure takes into account other income and expenses for a net expense of €13 million, as well as a net income tax expense of €57 million, a net financial expense of €15 million, and €13 million attributable to non-controlling interests.

1.3 . LIQUIDITY AND FINANCIAL RESOURCES

1.3.1 Cash flows[2]

(in € millions)	June 2020	June 2019
Net profit, Group share	100	146
Non-controlling interests	13	14
Dividends received from equity-accounted companies	11	9
Difference between income tax and income tax expense	(7)	6
Non-cash impact of other income and expenses	90	89
Funds from operations before other income and expenses (FFO)	**207**	**264**
Change in working capital	448	(108)
Change in restricted cash	(489)	(132)
Net cash from (used in) operating activities	**166**	**24**
Recurring capex	(53)	(37)
Free cash flow	**113**	**(13)**

Edenred's resilient business model generates significant cash flows, delivering **funds from operations before other income and expenses (FFO)** of **€207 million** in first-half 2020, down 15.1% like-for-like and 21.5% as reported.

After falling by €256 million in first-half 2019, the float[3] rose by €313 million over the period, primarily due to a temporary increase in the retention time for prepaid funds. The Group expects retention time to return to normal levels by the end of the year as stores and restaurants reopen.

Recurring capital expenditure totaled €53 million in the first half, versus €37 million in the prior-year period. In particular, this increase reflects the continuous development of the Group's technology assets, notably in terms of IT security and compliance.

Thanks to the high level of cash generated from operations, combined with an increase in the structurally negative working capital requirement, the Group generated €113 million in free cash flow in the first six months of the year, while continuing to invest in its technology assets.

Edenred enjoys **a robust financial position** with a strong cash position and a solid balance sheet. In May 2020, Standard & Poor's confirmed the Group's BBB+ Strong Investment Grade rating with a stable outlook.

1.3.2 Working capital requirement

Negative working capital requirement at June 30, 2020 increased by €243 million compared with June 30, 2019.

Table with details is available hereafter in chapter 2, note 4.3 of the consolidated financial statements

[2] Consolidated statement of cash flows are available chapter 2, section 1.4

[3] The float corresponds to a portion of the operating working capital from the preloading of funds by corporate clients.

1.3.3 Net Debt

The Group had net debt of €1.50 billion at June 30, 2020, versus €1.63 billion at end-June 2019. This change takes into account €526 million in free cash flow generation and an amount of €151 million returned to shareholders over the past 12 months. Net debt also includes the negative €222 million impact of changes in exchange rates and non-recurring items[4].

Bonds

At June 30, 2020, the Group's gross outstanding bond position amounted to €3,075 million. At December 31, 2019, the gross outstanding bond position amounted to €2,475 million. Details are presented part 6.4 chapter 2.

Other non-bank debt

In December 2019, a €105 million portion of the €250 million Schuldschein private placement was redeemed ahead of maturity. The remaining €145 million at June 30, 2020 represented different tranches of maturity and rates. Details are presented part 6.4 chapter 2.

Bank borrowings

Outstanding bank borrowings at June 30, 2020 amounted to €68 million.

NEU CP program

At June 30, 2020, non-current debt outstanding under the Negotiable EUropean Commercial Paper (NEU CP) program stood at €228 million, out of a total authorized amount of €750 million.

In June 2020, a Negotiable EUropean Medium Term Note (NEU MTN) program for €250 million was submitted to and authorized by France's central bank. It will round out the NEU CP program and diversify the Group's sources of financing.

1.3.4 Equity

Equity represented a negative amount of **€1,207 million** at June 30, 2020 and €1,338 million at December 31, 2019. 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 for the six months ended June 30, 2019, chapter 2, section 1.5.

1.4 . SIGNIFICANT EVENTS OF FIRST-HALF 2020

- **Edenred ties social and environmental criteria to one of its financing instruments for the first time**

In February 2020, Edenred renegotiated its syndicated credit facility, increasing it to €750 million, extending its maturity to February 2025 – with extension options to February 2027 – and improving the financial conditions. For the first time, Edenred introduced environmental and social performance criteria into the calculation of the financing costs:

- promoting healthy and sustainable eating habits – Edenred aims by 2030 to reach an 85% nutrition awareness rate among merchants and employees using its solutions (versus 30% in 2018);

[4] This amount does not include the €157 million fine issued by France's antitrust authority, which will be paid in first-quarter 2021.

- combating global warming – Edenred is targeting a 52% cut in greenhouse gas emissions intensity[5] by 2030 compared with 2013 (26% reduction in 2018).

- **Edenred expands its Fleet & Mobility Solutions offering in Europe**

In February 2020, Edenred finalized the agreement signed in September 2019 to acquire EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies.

- **Appointment to the Executive Committee**

In March 2020, Patrick Rouvillois was appointed Executive Vice President, Marketing, Strategy & Asia-Pacific of Edenred, and became a member of the Group Executive Committee. Patrick will be in charge of driving the Group's strategy, transformation and innovation in line with the roadmap set out under the Next Frontier plan for 2019-2022.

- **First measures taken by the Group in response to the consequences of the Covid-19 epidemic**

On March 25, due to the uncertain environment resulting from the Covid-19 epidemic, the Group **suspended its targets for full-year 2020** until it had better visibility of the financial impacts of the epidemic.

On April 6, in response to the unprecedented scale of the crisis, Edenred launched the **"More than Ever"** relief plan, through which the Group pledged to commit **up to €15 million** to mitigate the consequences of the Covid-19 epidemic on its ecosystem, and in particular to:

- protect Edenred employees, notably the most vulnerable, in countries with little or no healthcare coverage or social safety net;
- support partner restaurant owners, who have been severely impacted by strict stay-at-home orders in the various countries where the Group operates.

The "More than Ever" plan is notably financed through:

- the **20% decrease in the dividend** for 2019, to €0.7 per share;
- the **reduction in the Chairman and Chief Executive Officer's compensation** in line with AFEP recommendations;
- the **reduction in the compensation of the members of the Group's Executive Committee** and **Board of Directors**.

- **Edenred strengthens its position in the Brazilian market with the acquisition of employee benefits operations from Cooper Card**

On May 8, 2020, Edenred signed an agreement to acquire Cooper Card's client portfolio for food-related employee benefits (170,000 active users) in Brazil. With this acquisition, Edenred is consolidating its integration into the economic fabric of Paraná, one of the country's most populous and dynamic states.

The transaction has been approved by the Brazilian antitrust authority and is subject to the approval of the Central Bank of Brazil. It is expected to be finalized before the end of 2020.

- **Edenred extends its financial resources via a NEU MTN program and successfully issues €600 million in bonds**

[5] Targets calculated using the Science Based Targets initiative methodology in line with the Paris Agreement goals.

On June 4, 2020, the Group extended its financial resources by submitting a Negotiable EUropean Medium Term Note (NEU MTN) program to France's central bank. Under the program, the Group will be able to issue up to €250 million of medium-term negotiable debt with maturities beyond one year. The medium-term program complements the €750 million Negotiable EUropean Commercial Paper (NEU CP) program for debt with maturities of one year or less.

On June 10, 2020, Edenred successfully issued €600 million worth of nine-year bonds paying a coupon of 1.375%. The bond issuance enabled the Group to extend the average maturity of its debt under more favorable financial conditions than ever previously obtained for Group bonds and to finance its upcoming debt repayments in the second half of 2020 and in 2021.

- **Edenred now owns 100% of UTA**

On May 15, 2020, Edenred acquired all the remaining outstanding shares that it did not already own in its UTA subsidiary, Europe's second-largest issuer of multi-brand fuel cards and a leading provider of value-added services, such as toll settlement, maintenance and VAT recovery solutions.

The transaction followed the exercise of a put option on an additional 17% of outstanding shares by the Eckstein family, co-founders of UTA. The option, which was scheduled to expire in July 2020, was already accounted for in the Group's net debt. The transaction will be accretive to net profit, Group share as of 2020.

II. Outlook

In the second half of 2020, Edenred expects the gradual recovery in Europe to continue, and lockdown measures to be maintained in the Americas region during the third quarter, resulting in a still uncertain environment. In Employee Benefits, the Group's performance will be boosted by the delayed revenue generated with merchants and the impact of faster digitalization. Fleet & Mobility Solutions' performance will reflect the recovery in Europe and the impact of ongoing lockdown measures in the Americas region. In Complementary Solutions, new specific-purpose programs will make a positive contribution to growth in the business line, which will continue to be weighed down by lower transaction volumes in Corporate Payment Services.

On this basis, the Group estimates, at this point in time, that **the second half should bring a return to year-on-year organic growth in operating revenue, on a monthly basis**.

The gradual recovery in the second half, combined with the ongoing implementation of the Group's cost savings plan, will have a positive impact on operating leverage. In light of this, **Edenred has set an EBITDA target for 2020 of between €540 million and €610 million**[6].

Based on a return in the second half to the normal float retention time, strongly negative currency effects, a smaller recurring capital expenditure budget than in second-half 2019 and limited projected spending on acquisitions, Edenred estimates that its **net debt at end-2020 will be below 2.8x EBITDA**.

Underpinned by strong fundamentals, the Group is weathering the crisis with resilience. Its technological expertise and agile organization make it well positioned to seize new opportunities in markets undergoing digital transformation.
Thanks to its resilient business model, strengthened digital leadership and the increased demand for earmarked funds programs, Edenred has everything it needs to ensure all of its business lines rebound quickly, and to pursue its strategy of sustainable and profitable growth with a focus on product and technology innovation.

[6] Calculated based on an assumption of an average Brazilian real/euro exchange rate for the second half of 2020 equal to the closing spot rate on June 30, 2020.

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 2019 Universal Registration Document filed with French securities regulator AMF on March 25, 2020.

Furthermore, details about different impacts of the Covid-19 health crisis on this first 2020 semester are presented in chapter 2 of this Document Note 3.

The amounts relating to market and financial risks at 30 June 2020 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 2020. More details in the 2019 Universal Registration Document page 255, Note 11.2 to the consolidated financial statements.

V. Subsequent events

Edenred India

On July 16, 2020, the Group sold its Employee Benefits client portfolio in India to Sodexo for a non-significant amount.

VI. Glossary

Glossary and list of references needed for a proper understanding of financial information

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.

a) Alternative performance measurement indicators included in the June 30, 2020 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 2020 condensed interim consolidated financial statements
Operating revenue	Operating revenue corresponds to: • 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	Other revenue is interest generated by investing cash over the period between: • the issue date and the reimbursement date for vouchers, • and the loading date and the redeeming date for cards. The interest represents a component of operating revenue and as such is included in the determination of total revenue.
EBITDA	This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses.
EBIT	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. 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".
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)*

b) Alternative performance measurement indicators not included in the June 30, 2020 Interim Financial Report

Indicator	Definitions and reconciliations with Edenred's 2020 condensed interim consolidated financial statements
Operating EBIT	Corresponds to EBIT adjusted for other revenue. As per the consolidated financial statements, operating EBIT as of June 30, 2020 amounted to €171 million, comprising: • €192 million in EBIT minus €21 million in other revenue.
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

Glossary and list of references needed for a proper understanding of financial information

Operating revenue

In € millions	Q1		Q2		H1	
	2020	2019	2020	2019	2020	2019
Europe	228	213	183	209	411	422
France	*70*	*69*	*41*	*59*	*111*	*128*
Rest of Europe	*158*	*144*	*142*	*150*	*300*	*294*
Latin America	121	129	82	140	203	269
Rest of the world	34	28	27	32	61	60
Total	**383**	**370**	**292**	**381**	**675**	**751**

In %	Q1		Q2		H1	
	Change reported	Change L/L	Change reported	Change L/L	Change reported	Change L/L
Europe	+6.9%	+5.9%	-12.3%	-13.1%	-2.6%	-3.5%
France	*+2.0%*	*+2.0%*	*-31.3%*	*-31.3%*	*-13.5%*	*-13.5%*
Rest of Europe	*+9.3%*	*+7.8%*	*-4.7%*	*-5.9%*	*+2.1%*	*+0.8%*
Latin America	-5.6%	+5.2%	-41.9%	-20.4%	-24.5%	-8.1%
Rest of the world	+18.9%	+18.4%	-15.0%	-9.8%	+1.0%	+3.5%
Total	**+3.5%**	**+6.6%**	**-23.4%**	**-15.5%**	**-10.2%**	**-4.6%**

Other revenue

In € millions	Q1 2020	Q1 2019	Q2 2020	Q2 2019	H1 2020	H1 2019
Europe	4	4	4	4	8	8
France	*2*	*2*	*1*	*1*	*3*	*3*
Rest of Europe	*2*	*2*	*3*	*3*	*5*	*5*
Latin America	7	7	4	7	11	15
Rest of the world	1	1	1	2	2	3
Total	**12**	**13**	**9**	**13**	**21**	**26**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	H1 Change reported	H1 Change L/L
Europe	+2.7%	+2.4%	-15.1%	-14.2%	-6.5%	-6.2%
France	*-5.8%*	*-5.8%*	*-1.8%*	*-1.8%*	*-3.9%*	*-3.9%*
Rest of Europe	*+9.0%*	*+8.5%*	*-22.8%*	*-21.4%*	*-8.2%*	*-7.7%*
Latin America	-11.3%	-3.2%	-29.3%	-7.4%	-20.3%	-5.3%
Rest of the world	-24.0%	-20.1%	-54.6%	-48.2%	-40.1%	-34.9%
Total	**-8.4%**	**-3.4%**	**-27.9%**	**-14.7%**	**-18.4%**	**-9.2%**

Pro forma 2019 operating revenue and other revenue by quarter following the classification change for revenue related to merchants' fast reimbursement in Brazil

Group Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	369	379	377	445	1 570
Pro forma 2019	370	381	379	440	1 570

Group Other Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	14	15	16	11	56
Pro forma 2019	13	13	14	16	56

Latin America Operating Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	128	138	137	156	559
Pro forma 2019	129	140	139	151	559

Latin America Other Revenue	Q1	Q2	Q3	Q4	FY
Actual 2019	9	9	10	4	32
Pro forma 2019	7	7	8	10	32

Total revenue

In € millions	Q1 2020	Q1 2019	Q2 2020	Q2 2019	H1 2020	H1 2019
Europe	232	217	187	213	419	430
France	*72*	*71*	*42*	*60*	*114*	*131*
Rest of Europe	*160*	*146*	*145*	*153*	*305*	*299*
Latin America	128	137	86	147	214	284
Rest of the world	35	29	28	34	63	63
Total	**395**	**383**	**301**	**394**	**696**	**777**

In %	Q1 Change reported	Q1 Change L/L	Q2 Change reported	Q2 Change L/L	H1 Change reported	H1 Change L/L
Europe	+6.9%	+5.9%	-12.4%	-13.1%	-2.7%	-3.6%
France	*+1.8%*	*+1.8%*	*-30.5%*	*-30.5%*	*-13.3%*	*-13.3%*
Rest of Europe	*+9.3%*	*+7.8%*	*-5.1%*	*-6.1%*	*+2.0%*	*+0.7%*
Latin America	-5.9%	+4.7%	-41.3%	-19.7%	-24.3%	-8.0%
Rest of the world	+16.8%	+16.5%	-17.0%	-11.7%	-1.0%	+1.6%
Total	**+3.1%**	**+6.3%**	**-23.6%**	**-15.5%**	**-10.4%**	**-4.8%**

EBITDA, Operating EBIT and EBIT

In € millions	H1 2020	H1 2019	Change reported	Change L/L
Europe	154	168	-8.3%	-8.9%
France	28	42	-33.3%	-33.3%
Rest of Europe	126	126	-0.1%	-0.8%
Latin America	86	129	-33.3%	-16.6%
Rest of the world	11	18	-40.6%	-47.0%
Holding and others	4	(5)	-170.9%	-99.0%
EBITDA	**255**	**310**	**-17.8%**	**-12.8%**

In € millions	H1 2020	H1 2019	Change reported	Change L/L
Europe	122	138	-11.6%	-11.5%
France	18	31	-43.8%	-43.8%
Rest of Europe	104	107	-2.1%	-2.1%
Latin America	68	109	-37.3%	-20.9%
Rest of the world	2	10	-79.3%	-93.5%
Holding and others	0	(8)	-96.9%	-47.7%
Operating EBIT	**192**	**249**	**-22.8%**	**-17.9%**

In € millions	H1 2020	H1 2019	Change reported	Change L/L
Europe	114	130	-11.9%	-11.9%
France	15	28	-48.4%	-48.4%
Rest of Europe	99	102	-1.8%	-1.8%
Latin America	57	94	-40.0%	-23.4%
Rest of the world	0	7	-97.9%	-121.2%
Holding and others	0	(8)	-96.9%	-47.7%
EBIT	**171**	**223**	**-23.4%**	**-18.7%**

Summarized balance sheet

In € millions ASSETS	June 2020	Dec. 2019	June 2019
Goodwill	1,495	1,604	1,604
Intangible assets	661	706	606
Property, plant & equipment	151	169	139
Investments in associates	64	69	64
Other non-current assets	188	169	144
Float (Trade receivables, net)	1,758	2,142	2,158
Working capital excl. float (assets)	316	290	277
Restricted cash	2,295	1,864	1,574
Cash & cash equivalents	2,331	1,873	1,607
TOTAL ASSETS	**9,259**	**8,886**	**8,173**

In € millions LIABILITIES	June 2020	Dec. 2019	June 2019
Total equity	(1,207)	(1,043)	(1,338)
Gross debt and other financial liabilities	3,832	3,163	3,237
Provisions and deferred tax	222	239	244
Vouchers in circulation (Float)			
Working capital excl. float (liabilities)	4,935	5,161	4,908
	1,477	1,366	1,112
TOTAL LIABILITIES	**9,259**	**8,886**	**8,173**

	June 2020	Dec. 2019	June 2019
Total working capital	**4,338**	**4,095**	**3,595**
Of which float:	**3,177**	**3,019**	**2,750**

From net profit, Group share to Free cash flows

In € millions	June 2020	June 2019
Net profit attributable to owners of the parent	**100**	**146**
Non-controlling interests	13	14
Dividends received from equity-accounted companies	11	9
Difference between income tax paid and income tax expense	(7)	6
Non-cash impact of other income and expenses	90	89
= Funds from operations before other income and expenses (FFO)	**207**	**264**
Decrease (Increase) in working capital	448	(108)
Recurring decrease (Increase) in restricted cash	(489)	(132)
= Net cash from (used in) operating activities	**166**	**24**
Recurring capital expenditure	(53)	(37)
= Free cash flows (FCF)	**113**	**(13)**

2

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

I. CONSOLIDATED FINANCIAL STATEMENT

1.1 . CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	First-half 2020	First-half 2019
Operating revenue	4.1	675	748
Other revenue	4.1	21	29
Total revenue	4.1	**696**	**777**
Operating expenses	4.2	(441)	(467)
Depreciation, amortization and impairment losses	5.5	(63)	(61)
Operating profit before other income and expenses (EBIT)	4.1	**192**	**249**
Share of net profit from equity-accounted companies	5.4	6	6
Other income and expenses	10.1	(13)	(12)
Operating profit including share of net profit from equity-accounted companies		**185**	**243**
Net financial expense	6.1	(15)	(14)
Profit before tax		**170**	**229**
Income tax expense	7	(57)	(69)
NET PROFIT		**113**	**160**
Net profit attributable to owners of the parent		100	146
Net profit attributable to non-controlling interests		13	14
Earnings per share attributable to owners of the parent (in €)	8	0.41	0.61
Diluted earnings per share (in €)	8	0.41	0.60

1.2 . CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	Notes	First-half 2020	First-half 2019
Net profit		**113**	**160**
Other comprehensive income			
Currency translation adjustment		(244)	21
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income		11	18
Tax on items that may be subsequently reclassified to profit or loss		(3)	(6)
Items that may be subsequently reclassified to profit or loss		**(236)**	**33**
Actuarial gains and losses on defined-benefit plans		1	(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**	**(1)**
TOTAL OTHER COMPREHENSIVE INCOME		**(235)**	**32**
TOTAL COMPREHENSIVE INCOME		**(122)**	**192**
Comprehensive income attributable to owners of the parent	1.5	(113)	178
Comprehensive income attributable to non-controlling interests	1.5	(9)	14

1.3 . CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated assets

(in € millions)	Notes	June 30, 2020	Dec. 31, 2019
Goodwill	5.1	1,495	1,604
Intangible assets	5.2	661	706
Property, plant and equipment	5.3	151	169
Investments in equity-accounted companies	5.4	64	69
Non-current financial assets	6.2	76	75
Deferred tax assets		112	94
TOTAL NON-CURRENT ASSETS		**2,559**	**2,717**
Trade receivables	4.3	1,674	2,073
Inventories, other receivables and accruals	4.3	400	359
Restricted cash	4.4	2,295	1,864
Current financial assets	6.2/6.5	192	136
Other marketable securities	6.3/6.5	1,004	733
Cash and cash equivalents	6.3/6.5	1,135	1,004
TOTAL CURRENT ASSETS		**6,700**	**6,169**
TOTAL ASSETS		**9,259**	**8,886**

Consolidated equity and liabilities

(in € millions)	Notes	June 30, 2020	Dec. 31, 2019
Issued capital		493	486
Additional paid-in capital		949	880
Consolidated retained earnings (accumulated losses)		(2,098)	(2,120)
Currency translation adjustment		(613)	(391)
Treasury shares		(28)	(48)
Equity attributable to owners of the parent		**(1,297)**	**(1,193)**
Non-controlling interests		90	150
Total equity		**(1,207)**	**(1,043)**
Non-current debt	6.4/6.5	2,931	2,421
Other non-current financial liabilities	6.4/6.5	130	139
Non-current provisions	10.2	38	43
Deferred tax liabilities		171	174
TOTAL NON-CURRENT LIABILITIES		**3,270**	**2,777**
Current debt	6.4/6.5	716	426
Other current financial liabilities	6.4/6.5	55	177
Current provisions	10.2	13	22
Funds to be redeemed	4.3	4,935	5,161
Trade payables	4.3	217	261
Current tax liabilities	4.3	27	33
Other payables	4.3	1,233	1,072
TOTAL CURRENT LIABILITIES		**7,196**	**7,152**
TOTAL EQUITY AND LIABILITIES		**9,259**	**8,886**

1.4 . CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	First-half 2020	First-half 2019
+ Net profit attributable to owners of the parent		100	146
+ Non-controlling interests		13	14
- Share of net profit from equity-accounted companies	5.4	(6)	(6)
- Depreciation, amortization and changes in operating provisions		65	67
- Expenses related to share-based payments		7	8
- Non-cash impact of other income and expenses		12	(8)
- Difference between income tax paid and income tax expense		(7)	6
+ Dividends received from equity-accounted companies	5.4	11	9
= Funds from operations including other income and expenses		**195**	**236**
- (Gains) losses on disposals of assets, net		-	1
- Other income and expenses (including restructuring costs)		12	27
= Funds from operations before other income and expenses (FFO)		**207**	**264**
+ Decrease (increase) in working capital	4.4	448	(108)
+ Decrease (increase) in restricted cash	4.5	(489)	(132)
= Net cash from (used in) operating activities		**166**	**24**
+ Other income and expenses (including restructuring costs) received/paid		(13)	(27)
= Net cash from (used in) operating activities including other income and expenses (A)		**153**	**(3)**
- Acquisitions of property, plant and equipment and intangible assets		(53)	(37)
- Acquisitions of investments (non-consolidated companies)		(3)	(14)
- External acquisition expenditure, net of cash acquired		(102)	(721)
+ Proceeds from (disbursements relating to) disposals of assets		-	(7)
= Net cash from (used in) investing activities (B)		**(158)**	**(779)**
+ Capital increase		1	4
- Dividends paid[1]	3.2	(66)	(80)
+ (Purchases) sales of treasury shares		(28)	-
+ Increase in non-current debt		601	104
- Decrease in non-current debt		(1)	(17)
+ Change in current debt		(316)	225
= Net cash from (used in) financing activities (C)		**191**	**236**
- Net foreign exchange differences and fair value adjustments (D)		**(79)**	**(4)**
= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)	**6.5**	**107**	**(550)**
+ Cash and cash equivalents at beginning of period		952	1 316
- Cash and cash equivalents at end of period		1 059	766
= NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**6.5**	**107**	**(550)**

(1) Including cash dividends paid to owners of the parent for €60 million (€0.70 per share) and cash dividends paid to non-controlling interests for €6 million.

Net cash and cash equivalents at the end of the period can be analyzed as follows:

(in € millions)	Notes	First-half 2020	First-half 2019
+ Cash and cash equivalents	6.3	1,135	843
- Bank overdrafts	6.5	(76)	(77)
= CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,059**	**766**

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	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, 2018	**479**	**770**	**(22)**	**(2 743)**	**111**	**17**	**(3)**	**(424)**	**254**	**(1 561)**	**110**	**(1 451)**
Appropriation of 2018 net profit	-	-	-	254	-	-	-	-	(254)	-		-
Increase (decrease) in share capital												
- in cash	-	-	-	-	-	-	-	-	-	-	2	2
- cancellation of treasury shares	-	(23)	-	-	-	-	-	-	-	(23)	-	(23)
- options exercised	-	2	-	-	-	-	-	-	-	2	-	2
- dividends reinvested in new shares	8	136	-	-	-	-	-	-	-	144	-	144
Dividends paid	-	-	-	(206)	-	-	-	-	-	(206)	(18)	(224)
Changes in consolidation scope	-	-	-	-	-	-	-	-	-	-	1	1
Compensation costs – share-based payments	-	-	-	-	8	-	-	-	-	8	-	8
(Acquisitions) disposals of treasury shares	-	-	21	-	-	-	-	-	-	21	-	21
Other[5]	-	-	-	(11)	-	-	-	-	-	(11)	-	(11)
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**12**	**(1)**	**21**	**-**	**32**	**1**	**33**
Net profit for the period	-	-	-	-	-	-	-	-	146	146	14	160
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**-**	**12**	**(1)**	**21**	**146**	**178**	**14**	**192**
June 30, 2019	**487**	**885**	**(1)**	**(2 706)**	**119**	**29**	**(4)**	**(403)**	**146**	**(1 448)**	**110**	**(1 338)**
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												
- in cash	-	-	-	-	-	-	-	-	-	-	2	2
- cancellation of treasury shares	-	(34)	-	-	-	-	-	-	-	(34)	-	(34)
- options exercised	-	1	-	-	-	-	-	-	-	1	-	1
- dividends reinvested in new shares	7	102	-		-	-	-	-	-	109	-	109
Dividends paid[3]	-	-	-	(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)**

(1) See Note 1.4 “Presentation currency and foreign currencies” detailing the main exchange rates used in 2019 and 2020. The €613 million negative translation reserve attributable to owners of the parent corresponds mainly to translation adjustments arising from changes in exchange rates for the Brazilian real for €379 million, the Venezuelan bolivar soberano for €130 million and the Mexican peso for €43 million.

(2) This amount includes the €1,894 million negative impact of acquiring Edenred entities owned by Accor and deducted from equity following the demerger in June 2010.

(3) Corresponding to the distribution of €170 million paid to Group shareholders (of which €60 million in cash and €109 million in shares – see Note 3.2 “Payment of the 2019 dividend”) and €6 million paid to minority shareholders.

(4) Changes in scope of consolidation correspond mainly to the acquisition of the remaining 17% of UTA in the second quarter of 2020 – see Note 2 “Acquisitions, Development, Projects and Disposals”.

(5) The line “Other” corresponds mainly to the deferred taxes impact of remeasuring the tax bases of the UTA purchase price allocation – see Note 2 “Acquisitions, Development, Projects and Disposals”.

II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

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. When the Group uses estimates and assumptions, it applies the method presented in Note 1.5. 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 FINANCIAL STATEMENTS

1.1 APPROVAL OF THE FINANCIAL STATEMENTS

The Edenred Group's condensed consolidated financial statements for the six months ended June 30, 2020 were approved by the Board of Directors on July 24, 2020.

1.2 BASIS OF PREPARATION OF THE 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, 2020 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 2019 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, 2020, 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 2019 consolidated financial statements, with the exception of:

(1) the standards, amendments and interpretations effective for annual periods beginning on or after January 1, 2020 (see Note 11);

(2) the specific items relating to the preparation of interim financial statements (see 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 2019 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.

			First-half 2020		*Full-year 2019*		*First-half 2019*	
			Closing rate at June 30, 2020	Average rate for first-half 2020	Closing rate at Dec. 31, 2019	Average rate for full-year 2019	Closing rate at June 30, 2019	Average rate for first-half 2019
ISO code	Currency	Country	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =
ARS	Peso	ARGENTINA	78.90	78.90	67.26	67.26	48.34	48.34
BRL	Real	BRAZIL	6.11	5.42	4.52	4.41	4.35	4.34
USD	US dollar	UNITED STATES	1.12	1.10	1.12	1.12	1.14	1.13
MXN	Peso	MEXICO	25.95	23.89	21.22	21.55	21.82	21.65
RON	Leu	ROMANIA	4.84	4.82	4.78	4.75	4.73	4.74
GBP	Pound sterling	UNITED KINGDOM	0.91	0.87	0.85	0.88	0.90	0.87
SEK	Krona	SWEDEN	10.49	10.66	10.45	10.59	10.56	10.52
CZK	Koruna	CZECH REPUBLIC	26.74	26.35	25.41	25.67	25.45	25.68
TRY	Lira	TURKEY	7.68	7.16	6.68	6.36	6.57	6.36
VES	Boliv ar	VENEZUELA	227,750.63	132,166.92	51,471.34	14,759.35	7,463.30	4,392.69

The impact on attributable consolidated equity of currency translation adjustments is negative by €221 million between December 31, 2019 and June 30, 2020. The difference mainly reflected movements in the following currencies:

ISO code	Currency	Country	June 30, 2020	Dec. 31, 2019	Change
BRL	Real	BRAZIL	(379)	(210)	(169)
USD	US dollar	UNITED STATES	16	14	2
MXN	Peso	MEXICO	(43)	(7)	(36)
GBP	Pound sterling	UNITED KINGDOM	(25)	(13)	(12)
	Total		**(431)**	**(216)**	**(215)**

Hyperinflation in Argentina

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 2019 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.

1.5 USE OF JUDGMENTS AND ESTIMATES

The preparation of financial statements requires the application of judgment and 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 closing date, the amounts in the Group's future financial statements could be materially different from current estimates.

1.6 . ACCOUNTING CONSIDERATIONS RELATED TO THE COVID-19 EPIDEMIC

Impairment of current financial and non-financial assets

In accordance with IAS 36 – Impairment of Assets, goodwill, intangible assets, property, plant and equipment, and investment properties are tested for impairment when there is any indication that they may be impaired.

Indications of impairment are as follows for the Group's CGUs:

- a significant drop in revenue, operating profit or operating cash flows;
- an unfavorable change (observed or expected in the near future) in the conditions of use of an asset (temporary closures or stoppages, downturn in business, disruptions to supplies or production, etc.);
- an unfavorable change (observed or expected in the near future) in the general economic environment of the entity or asset.

The Group identified the CGUs that were likely to be impacted by the epidemic. Impairment tests were carried out, but no impairment losses were recognized as of June 30, 2020.

The Group also reviewed trade receivables but did not recognize any additional impairment losses as the level of counterparty risk was stable compared with December 2019 (with the exception of some client defaults observed since the start of the crisis).

Deferred taxes on losses

In accordance with IAS 12 – Income Taxes, a deferred tax asset is recognized for ordinary and evergreen tax loss carryforwards only when it is probable that the asset will be recovered in the foreseeable future. The probability of recovery of deferred tax assets is reviewed on a periodic basis for each tax entity. Where appropriate, the review may lead the Group to derecognize deferred tax assets that had been recognized in prior years.

The Group reassessed the recoverability of its recognized deferred tax assets, but did not observe any material impact.

NOTE 2 : ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS

Acquisitions, development projects and disposals in 2020

EBV

On February 10, 2020, Edenred finalized the acquisition of 60% of the share capital of EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies. With this transaction, the Group is significantly strengthening its position in the segment and expanding its range of value-added services for international transportation companies in Europe.

The provisional purchase price allocation led to the recognition primarily of a customer list for €10 million and goodwill of €12 million.

UTA

On May 15, 2020, Edenred acquired all outstanding shares that it did not already own in its UTA subsidiary, Europe's second-largest issuer of multi-brand fuel cards and a leading provider of value-added services, such as toll settlement and vehicle maintenance solutions.

The increase to full ownership followed the exercise of a put option on an additional 17% of outstanding shares by the Eckstein family, co-founders of UTA, in an amount equal to €82 million.

Cooper Card

On May 8, 2020, Edenred signed an agreement to acquire Cooper Card's client portfolio (170,000 active users) in Brazil. With this acquisition, Edenred is consolidating its integration into the economic fabric of the state of Paraná. With 11 million citizens, it is one of the country's most populous and dynamic states and represents a major employment pool. The transaction has been approved by the Brazilian antitrust authority and is subject to the approval of the Central Bank of Brazil. It is expected to be finalized before the end of 2020.

NOTE 3 : SIGNIFICANT EVENTS

3.1 . IMPACT OF COVID-19

The Covid-19 health crisis has impacted the economies of the 46 countries where the Group operates. The measures taken to contain the spread of the virus have created substantial disruption for companies around the world, triggering an economic downturn. Economies are gradually reopening in the regions where the Group operates.

During the lockdown periods, Edenred implemented homeworking for 95% of its employees, with only limited use of short-time working arrangements in France and business continuity secured thanks to the increasingly digital nature of its solutions. Employee Benefits, Fleet & Mobility Solutions and Complementary Solutions demonstrated resilience and their operations were only partially impacted by the pandemic.

The Group has incurred specific expenses in connection with the Covid-19 epidemic, which represent a marginal amount at the Group level. They mainly concern equipment and measures to ensure compliance with health regulations, initiatives to support employees, affiliates and partners, and payroll costs not fully covered by government-subsidized relief measures. The Group has assessed the consequences of the Covid-19 epidemic on counterparty risk. No impairment losses were recognized during the first half of the year. On a like-for-like basis compared with 2019, the decline in business activity over the period had a 4.2% impact on operating revenue (or €32 million), an 18.4% impact on other revenue (or €5 million), and a 4.8% impact on total revenue (or €37 million). Accordingly, EBITDA declined by 12.8% (or €40 million) and EBIT by 17.7% (or €44 million) – See Note 4.1.2 – "Segment information by indicator".

Sharp exchange rate fluctuations were also observed in first-half 2020 in the main currencies to which the Group is exposed, that led to a slight increase of 9.2% in net financial expense.

With regard to cash flow, the total or partial economic shutdowns across the world prompted a decline in the use of Edenred solutions and therefore the related reimbursements, which had a favorable impact on the seasonality of working capital. The atypical seasonal differences will be gradually reabsorbed as economic activity recovers.

No liquidity risk was identified. Furthermore, on June 10, 2020, Edenred issued €600 million worth of nine-year bonds paying a coupon of 1.375%. The bond issuance enabled the Group to extend the average maturity of its debt under favorable conditions and to finance its upcoming debt repayments in the second half of 2020 and in 2021. Lastly, on June 4, 2020, the Group extended its financial resources by submitting a Negotiable EUropean Medium Term Note (NEU MTN) program to France's central bank. Under the program, the Group will be able to issue up to €250 million of medium-term negotiable debt with maturities beyond one year. The medium-term program complements the €750 million Negotiable EUropean Commercial Paper (NEU CP) program for debt with maturities of one year or less.

3.2 . PAYMENT OF THE 2018 DIVIDEND

At the Combined General Meeting on May 7, 2020, Edenred shareholders approved the payment of a dividend of €0.70 per share in respect of 2019, with the option of receiving payment of the entire dividend in new shares.

The option for payment of the dividend in new shares, which ran from May 7 to May 29, 2020, led to the issuance of 3,378,494 new ordinary Edenred shares, representing 1.39% of the share capital, which were settled and admitted to trading on the Euronext Paris stock market on June 5, 2020.

The new shares carry dividend rights from January 1, 2020 and rank *pari passu* with existing ordinary Edenred shares. Following the issuance, the Company's share capital comprised 246,583,351 shares.

The total dividend amounted to €170 million and included cash dividends of €60 million paid to Group shareholders on June 5, 2020.

3.3 . SUBSEQUENT EVENTS

Edenred India

On July 16, 2020, the Group sold its Employee Benefits client portfolio in India to Sodexo for a non-significant amount.

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.

The performance of each operating segment is measured based on changes in operating revenue, total revenue, EBITDA, operating EBIT and EBIT.

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 all of 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, "Holding & Other" includes Edenred SA holding company, regional headquarters and companies with no operating activity.

Transactions between segments are not material.

4.1.1. CONDENSED FINANCIAL INFORMATION

FIRST-HALF 2020

Income statement

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Holding & 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**

* The impact of IFRS 16 on EBITDA is of €15 million.

FIRST-HALF 2019

Income statement

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Holding & Other	First-half 2019
Operating revenue	**128**	**294**	**266**	**60**	**-**	**748**
Other revenue	3	5	18	3	-	**29**
Total external revenue	**131**	**299**	**284**	**63**	**-**	**777**
Inter-segment revenue	-	6	-	-	(6)	-
TOTAL REVENUE FROM OPERATING SEGMENTS	**131**	**305**	**284**	**63**	**(6)**	**777**
OPERATING EXPENSES	**(89)**	**(173)**	**(155)**	**(45)**	**(5)**	**(467)**
EBITDA*	**42**	**126**	**129**	**18**	**(5)**	**310**
EBIT LESS OTHER REVENUE (OPERATING EBIT)	**28**	**102**	**91**	**7**	**(8)**	**220**
EBIT	**31**	**107**	**109**	**10**	**(8)**	**249**

* The impact of IFRS 16 on EBITDA is of €15 million.

Changes in total revenue and EBIT

Changes in total revenue and EBIT between first-half 2019 and first-half 2020 break down as follows:

			Δ First-half 2020/First-half 2019							
			Organic growth		Changes in consolidation scope		Currency effect		Total change	
(in € millions)	First-half 2020	First-half 2019	In €m	As a %	In €m	As a %	In €m	As a %	In €m	As a %
Operating revenue	675	748	(32)	(4,2)%	+4	+0,4%	(45)	(6,0)%	(73)	(9,8)%
Other revenue	21	29	(5)	(18,4)%	-	+0,3%	(3)	(8,6)%	(8)	(26,7)%
Total external revenue	696	777	(37)	(4,8)%	+4	+0,4%	(48)	(6,1)%	(81)	(10,4)%
OPERATING EXPENSES	(441)	(467)	(3)	+0,6%	+3	(0,8)%	+26	(5,4)%	+26	(5,6)%
EBITDA	255	310	(40)	(12,8)%	+7	+2,2%	(22)	(7,2)%	(55)	(17,8)%
EBIT LESS OTHER REVENUE (OPERATING EBIT)	171	220	(39)	(17,7)%	+6	+2,6%	(16)	(7,3)%	(49)	(22,3)%
EBIT	192	249	(44)	(17,7)%	+6	+2,4%	(19)	(7,5)%	(57)	(22,8)%

4.1.2. SEGMENT INFORMATION BY INDICATOR

Operating revenue by region

Changes in operating revenue between first-half 2019 and first-half 2020 break down as follows:

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Operating revenue – first-half 2020	111	300	203	61	**675**
Operating revenue – first-half 2019	128	294	266	60	**748**
Change	(17)	6	(63)	1	**(73)**
% change	(13.5)%	+2.1%	(23.7)%	+1.0%	**(9.8)%**
LIKE-FOR-LIKE CHANGE	**(17)**	**+2**	**(19)**	**+2**	**(32)**
LIKE-FOR-LIKE CHANGE AS A %	**(13.5)%**	**+0.8%**	**(7.1)%**	**+3.5%**	**(4.2)%**

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 2020	3	5	11	2	**21**
Other revenue – first-half 2019	3	5	18	3	**29**
Change	-	-	(7)	(1)	**(8)**
% change	(3.9)%	(8.2)%	(33.6)%	(40.1)%	**(26.7)%**
LIKE-FOR-LIKE CHANGE	**-**	**-**	**(4)**	**(1)**	**(5)**
LIKE-FOR-LIKE CHANGE AS A %	**(3.9)%**	**(7.7)%**	**(21.1)%**	**(34.9)%**	**(18.4)%**

Total revenue by region

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

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Total revenue – first-half 2020	114	305	214	63	**696**
Total revenue – first-half 2019	131	299	284	63	**777**
Change	(17)	6	(70)	-	**(81)**
% change	(13.3)%	+2.0%	(24.3)%	(1.0)%	**(10.4)%**
LIKE-FOR-LIKE CHANGE	**(17)**	**+2**	**(23)**	**+1**	**(37)**
LIKE-FOR-LIKE CHANGE AS A %	**(13.3)%**	**+0.7%**	**(8.0)%**	**+1.6%**	**(4.8)%**

EBITDA by region

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Total rev enue – first-half 2020	114	305	214	63	**696**
Total rev enue – first-half 2019	131	299	284	63	**777**
Change	(17)	6	(70)	-	**(81)**
% change	(13.3)%	+2.0%	(24.3)%	(1.0)%	**(10.4)%**
LIKE-FOR-LIKE CHANGE	**(17)**	**+2**	**(23)**	**+1**	**(37)**
LIKE-FOR-LIKE CHANGE AS A %	**(13.3)%**	**+0.7%**	**(8.0)%**	**+1.6%**	**(4.8)%**

EBIT less other revenue (operating EBIT) by region

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Holding & Other	TOTAL
EBIT less other rev enue (operating EBIT) – first-half 2020	15	99	57	-	-	**171**
EBIT less other rev enue (operating EBIT) – first-half 2019	28	102	91	7	(8)	**220**
Change	(13)	(3)	(34)	(7)	+8	**(49)**
% change	(48,4)%	(1,8)%	(38,1)%	(97,9)%	(96,9)%	**(22,3)%**
LIKE-FOR-LIKE CHANGE	**(14)**	**(2)**	**(19)**	**(8)**	**+4**	**(39)**
LIKE-FOR-LIKE CHANGE AS A %	**(48,4)%**	**(1,8)%**	**(20,9)%**	**(121,2)%**	**(47,7)%**	**(17,7)%**

Operating EBIT corresponds to EBIT less other revenue.

EBIT by region

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Holding & Other	TOTAL
EBIT – first-half 2020	18	104	68	2	-	**192**
EBIT – first-half 2019	31	107	109	10	(8)	**249**
Change	(13)	(3)	(41)	(8)	+8	**(57)**
% change	(43.8)%	(2.1)%	(37.3)%	(79.3)%	(96.9)%	**(22.8)%**
LIKE-FOR-LIKE CHANGE	**(14)**	**(2)**	**(23)**	**(9)**	**+4**	**(44)**
LIKE-FOR-LIKE CHANGE AS A %	**(43.8)%**	**(2.1)%**	**(20.9)%**	**(93.5)%**	**(47.7)%**	**(17.7)%**

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 by the beneficiary;
  - profits on vouchers that expire without being reimbursed are recognized in income after the expiry date of the reimbursement rights.
- For the Complementary Solutions business line: the revenue, corresponding to the amount billed to the corporate client, is recognized on delivery of the solutions.

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 – first-half 2020	412	173	90	**675**
Operating revenue – first-half 2019	472	192	84	**748**
Change	(60)	(19)	6	**(73)**
% change	(12.6)%	(10.1)%	+6.1%	**(9.8)%**
LIKE-FOR-LIKE CHANGE	**(40)**	**(1)**	**+9**	**(32)**
LIKE-FOR-LIKE CHANGE AS A %	**(8.4)%**	**(0.8)%**	**+11.0%**	**(4.2)%**

4.2 . OPERATING EXPENSES

(in € millions)	First-half 2020	First-half 2019
Employee benefit expense	(221)	(235)
Cost of sales	(70)	(74)
Business taxes	(18)	(22)
Rental expense	(1)	(1)
Other operating expenses	(131)	(135)
TOTAL OPERATING EXPENSES	**(441)**	**(467)**

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 . CHANGE IN WORKING CAPITAL AND FUNDS TO BE REDEEMED

(in € millions)	June 30, 2020	Dec. 31, 2019
Inventories, net	27	32
Trade receivables, net	1,674	2,073
Other receivables, net	373	327
Working capital – assets	**2,074**	**2,432**
Trade payables	(217)	(261)
Other payables	(1,233)	(1,072)
Funds to be redeemed	(4,935)	(5,161)
Working capital – liabilities	**(6,385)**	**(6,494)**
NEGATIVE WORKING CAPITAL	**(4,311)**	**(4,062)**
Current tax liabilities	(27)	(33)
NEGATIVE WORKING CAPITAL (incl. corporate income tax liabilities)	**(4,338)**	**(4,095)**

Other receivables and payables are presented in the notes to the consolidated financial statements for the year ended December 31, 2019. They correspond mainly to prepaid and recoverable taxes, other prepaid expenses, accrued taxes, payroll taxes and deferred revenue. They also include funds received but not yet loaded.

(in € millions)	First-half 2020	First-half 2019
Working capital at beginning of period	**4 062**	**3 615**
Change in working capital[(1)]	448	(108)
Acquisitions	(26)	51
Disposals/liquidations	-	1
Change in impairment of current assets	5	8
Currency translation adjustment	(182)	1
Reclassifications to other balance sheet items	4	3
Net change in working capital	**249**	**(44)**
WORKING CAPITAL AT END OF PERIOD	**4 311**	**3 571**

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

4.4 . 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, the use of these funds is restricted and they must be clearly segregated from the Group's other cash accounts. The funds remain Edenred's property and are invested in locally regulated interest-bearing financial instruments.

Restricted cash corresponds to voucher reserve funds subject to special regulations, mainly in the following countries: France (€952 million), the United Kingdom (€804 million), Belgium (€290 million), the United States (€90 million), Romania (€79 million), Italy (€20 million), Brazil (€19 million), the United Arab Emirates (€12 million), Taiwan (€10 million), Bulgaria (€9 million) and Uruguay (€6 million).

(in € millions)	First-half 2020	First-half 2019
Restricted cash at beginning of period	**1 864**	**1 402**
Change for the period[(1)]	489	132
Acquisitions	-	35
Other changes	-	10
Currency translation adjustment	(58)	(5)
Net change in restricted cash	**431**	**172**
RESTRICTED CASH AT END OF PERIOD	**2 295**	**1 574**

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

NOTE 5 : NON-CURRENT ASSETS

5.1 . GOODWILL

(in € millions)	June 30, 2020	Dec. 31, 2019
Goodwill, gross	1,668	1,778
Accumulated impairment losses	(173)	(174)
GOODWILL, NET	**1,495**	**1,604**

The Group identified the CGUs that were likely to be impacted by the current epidemic and impairment tests were performed (see Note 1.6). Goodwill was not subject to any additional impairment as of June 30, 2020.

(in € millions)	June 30, 2020	Dec. 31, 2019
United States (including CSI)	431	429
Brazil (including Repom and Embratec)	260	353
UTA (including Road Account)	168	169
United Kingdom (including Prepay Technologies and TRFC)	139	149
Italy (including Easy Welfare)	93	92
France (Ticket Cadeaux)	92	92
France (primarily ProwebCE)	52	52
Mexico	37	45
Dubai (including Mint)	35	46
Romania (including Benefit Online)	35	36
Finland	19	19
Slovakia	18	18
Poland (including Timex)	18	18
Sweden	17	17
France (Moneo Resto)	14	14
Czech Republic	12	13
Lithuania (EBV)	12	-
Belgium (including Merits & Benefits and Ekivita)	11	11
Japan	10	9
Portugal	6	6
Other (individually representing less than €5 million)	16	16
GOODWILL, NET	**1,495**	**1,604**

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

(in € millions)	First-half 2020	First-half 2019
NET GOODWILL AT BEGINNING OF PERIOD	**1,604**	**976**
Increase in gross goodwill and impact of scope changes	**12**	**617**
. United States (CSI acquisition)	-	443
. United Kingdom (TRFC acquisition)	-	99
. Germany (Road Account acquisition)	-	19
. Belgium (Merits and Ekivita acquisition)	-	6
. Italy (Easy Welfare acquisition)	-	50
. Lithuania (EBV)[(1)]	12	-
Goodwill written off on disposals for the period	**-**	**(2)**
Impairment losses	**-**	**2**
Currency translation adjustment	**(111)**	**11**
Reclassifications and other changes	(10)	-
NET GOODWILL AT END OF PERIOD	**1,495**	**1,604**

(1) See Note 2 "Acquisitions, development projects and disposals".

5.2 . INTANGIBLE ASSETS

(in € millions)	June 30, 2020	Dec. 31, 2019
GROSS CARRYING AMOUNT		
Brands	66	66
Customer lists	584	620
Licenses and software	345	374
Other intangible assets	113	101
TOTAL GROSS CARRYING AMOUNT	**1,108**	**1,161**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES		
Brands	(10)	(11)
Customer lists	(150)	(145)
Licenses and software	(238)	(250)
Other intangible assets	(49)	(49)
TOTAL ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES	**(447)**	**(455)**
NET CARRYING AMOUNT	**661**	**706**

Changes in the carrying amount of intangible assets over the period were as follows:

(in € millions)	First-half 2020	First-half 2019
CARRYING AMOUNT AT BEGINNING OF PERIOD	**706**	**432**
Intangible assets of newly consolidated companies *	11	183
Internally generated assets	43	28
Amortization for the period	(41)	(39)
Impairment losses for the period in other expenses	(6)	(2)
Disposals	-	(1)
Currency translation adjustment	(66)	5
Reclassifications	14	-
CARRYING AMOUNT AT END OF PERIOD	**661**	**606**

* See Note 2 “Acquisitions, development projects and disposals”.

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.

	June 30, 2020			Dec. 31, 2019		
(in € millions)	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	32	(18)	14	32	(18)	14
Equipment and furniture	119	(92)	27	123	(94)	29
Right of use	126	(34)	92	132	(29)	103
Assets under construction	5	-	5	10	-	10
Total	**302**	**(151)**	**151**	**317**	**(148)**	**169**

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

(in € millions)	First-half 2020	First-half 2019
CARRYING AMOUNT AT BEGINNING OF PERIOD	**66**	**52**
Property, plant and equipment of newly consolidated companies	-	1
Additions	10	9
Depreciation for the period	(8)	(8)
Currency translation adjustment	(5)	-
Reclassifications	(4)	-
CARRYING AMOUNT AT END OF PERIOD – BEFORE IFRS 16	**59**	**54**
Impact of IFRS 16 at end of period*	92	85
CARRYING AMOUNT AT END OF PERIOD	**151**	**139**

* The impact of IFRS 16 on the 2020 opening carrying amount came to €103 million. The impact on the 2019 opening carrying amount was €91 million.

5.4 . INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

At June 30, 2020, this item 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:

(in € millions)	First-half 2020	First-half 2019
Investments in equity-accounted companies at beginning of period	69	66
Share of net profit from equity-accounted companies	6	6
Impact of capital increases	1	-
Currency effect	(1)	-
Div idends receiv ed from inv estments in AGES and MSC equity-accounted companies	(11)	(9)
Investments in equity-accounted companies at end of period	**64**	**64**

5.5 . DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT

(in € millions)	First-half 2020	First-half 2019
Amortization of fair v alue adjustments to assets acquired in business combinations	(20)	(18)
Amortization of intangible assets	(21)	(21)
Depreciation of property, plant and equipment	(8)	(8)
Depreciation of right-of-use assets IFRS 16	(14)	(14)
TOTAL	**(63)**	**(61)**

NOTE 6 : FINANCIAL ITEMS

6.1 . NET FINANCIAL EXPENSE

(in € millions)	First-half 2020	First-half 2019
Gross borrowing cost	(26)	(29)
Hedging instruments	9	10
Income from cash and cash equivalents and other marketable securities	11	12
Net borrowing cost	**(6)**	**(7)**
Net foreign exchange gains (losses)	(1)	1
Other financial income	2	4
Other financial expenses	(10)	(12)
NET FINANCIAL EXPENSE	**(15)**	**(14)**

Gross borrowing costs for first-half 2020 include amortization of bond issuance costs for €5 million.

Hedging instruments are related 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, miscellaneous banking expenses and 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, and deposits and guarantees.

	June 30, 2020			Dec. 31, 2019		
(in € millions)	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Equity interests	59	(7)	52	58	(7)	51
Deposits and guarantees	22	-	22	24	-	24
Other	3	(1)	2	1	(1)	-
NON-CURRENT FINANCIAL ASSETS	**84**	**(8)**	**76**	**83**	**(8)**	**75**

6.2.2. CURRENT FINANCIAL ASSETS

(in € millions)	June 30, 2020 Gross carrying amount	June 30, 2020 Impairment losses	June 30, 2020 Net carrying amount	Dec. 31, 2019 Gross carrying amount	Dec. 31, 2019 Impairment losses	Dec. 31, 2019 Net carrying amount
Other current financial assets	59	(2)	57	30	(2)	28
Derivatives	135	-	135	108	-	108
CURRENT FINANCIAL ASSETS	**194**	**(2)**	**192**	**138**	**(2)**	**136**

"Other current financial assets" represent short-term loans with external counterparts, classified as "Loans and receivables".

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 in the 2019 Universal Registration Document.

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, 2020 Gross carrying amount	June 30, 2020 Impairment losses	June 30, 2020 Net carrying amount	Dec. 31, 2019 Gross carrying amount	Dec. 31, 2019 Impairment losses	Dec. 31, 2019 Net carrying amount
Cash at bank and on hand	725	-	725	461	-	461
Term deposits and equivalent – less than 3 months	384	-	384	528	-	528
Mutual fund units in cash – less than 3 months	26	-	26	15	-	15
CASH AND CASH EQUIVALENTS	**1,135**	**-**	**1,135**	**1,004**	**-**	**1,004**
Term deposits and equivalent – more than 3 months	763	(1)	762	528	(1)	527
Bonds and other negotiable debt securities	241	-	241	203	-	203
Mutual fund units in cash – more than 3 months	1	-	1	3	-	3
OTHER MARKETABLE SECURITIES	**1,005**	**(1)**	**1,004**	**734**	**(1)**	**733**
TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES	**2,140**	**(1)**	**2,139**	**1,738**	**(1)**	**1,737**

6.4 . DEBT AND OTHER FINANCIAL LIABILITIES

(in € millions)	June 30, 2020 Non-current	June 30, 2020 Current	June 30, 2020 Total	Dec. 31, 2019 Non-current	Dec. 31, 2019 Current	Dec. 31, 2019 Total
Convertible bonds	500	-	500	500	-	500
Non-bank debt	2,411	364	2,775	1,897	252	2,149
Bank borrowings	20	48	68	24	16	40
NEU CP	-	228	228	-	106	106
Bank overdrafts	-	76	76	-	52	52
DEBT	**2,931**	**716**	**3,647**	**2,421**	**426**	**2,847**
IFRS 16 liabilities	72	24	96	80	25	105
Deposits and guarantees	5	19	24	10	19	29
Purchase commitments for non-controlling interests	50	8	58	46	129	175
Derivatives	-	1	1	-	1	1
Other	3	3	6	3	3	6
OTHER FINANCIAL LIABILITIES	**130**	**55**	**185**	**139**	**177**	**316**
DEBT AND OTHER FINANCIAL LIABILITIES	**3,061**	**771**	**3,832**	**2,560**	**603**	**3,163**

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

Lease liabilities include the effect of applying IFRS 16.

Debt

Convertible bonds and non-bank debt

On June 18, 2020, Edenred issued €600 million worth of nine-year bonds maturing on June 18, 2029 and paying a coupon of 1.375%. The bond issuance enabled the Group to strengthen its financial resources and extend the average maturity of its debt under favorable conditions. Edenred has allocated €250 million to repaying the 2.625% bonds maturing in late October 2020.

At June 30, 2020, the Group's gross outstanding bond position amounted to €3,075 million, which breaks down as follows:

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
October 30, 2013	250	2.625%	7 years October 30, 2020
May 23, 2012	225	3.75%	10 years May 23, 2022
Gross outstanding bond position	**3,075**		

At December 31, 2019, the gross outstanding bond position amounted to €2,475 million.

Issuance date	Amount in €m	Coupon	Maturity
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
October 30, 2013	250	2.625%	7 years October 30, 2020
May 23, 2012	225	3.75%	10 years May 23, 2022
Gross outstanding bond position	**2,475**		

Other non-bank debt

In December 2019, a €105 million portion of the €250 million Schuldschein private placement was redeemed ahead of maturity. The remaining €145 million at June 30, 2020 represented different tranches of maturity and rates and can be detailed as follows:

Rate		Amount in €m	Coupon	Maturity
Fixed	1.05%	45	5	June 29, 2021
Variable	6-month Euribor* +105 bps	68	5	June 29, 2021
Fixed	1.47%	32	7	June 29, 2023
Total Schuldschein loan		**145**		

* 6-month Euribor with a 0% floor.

Bank borrowings

Outstanding bank borrowings at June 30, 2020 amounted to €68 million.

NEU CP program

At June 30, 2020, non-current debt outstanding under the Negotiable EUropean Commercial Paper (NEU CP) program stood at €228 million, out of a total authorized amount of €750 million.

In June 2020, a Negotiable EUropean Medium Term Note (NEU MTN) program for €250 million was submitted to and authorized by France's central bank. It will round out the NEU CP program and diversify the Group's sources of financing.

Maturity analysis – carrying amounts

At June 30, 2020

(in € millions)	First-half 2021	First-half 2022	First-half 2023	First-half 2024	First-half 2025	First-half 2026 and beyond	June 30, 2020
Convertible bonds	-	-	-	-	500	-	500
Non-bank debt	364	234	32	-	490	1,655	2,775
Bank borrowings	48	9	8	3	-	-	68
NEU CP	228	-	-	-	-	-	228
Bank overdrafts	76	-	-	-	-	-	76
DEBT	716	243	40	3	990	1,655	3,647
IFRS 16 liabilities	24	17	14	12	9	20	96
Deposits and guarantees	19	5	-	-	-	-	24
Purchase commitments for non-controlling interests	8	45	-	1	-	4	58
Derivatives	1	-	-	-	-	-	1
Other	3	3	-	-	-	-	6
OTHER FINANCIAL LIABILITIES	55	70	14	13	9	24	185
TOTAL	**771**	**313**	**54**	**16**	**999**	**1,679**	**3,832**

At December 31, 2019

(in € millions)	2020	2021	2022	2023	2024	2025 and beyond	Dec. 31, 2019
Convertible bonds	-	-	-	-	500	-	500
Non-bank debt	252	113	236	32	-	1,516	2,149
Bank borrowings	16	9	9	5	1	-	40
NEU CP	106	-	-	-	-	-	106
Bank overdrafts	52	-	-	-	-	-	52
DEBT	426	122	245	37	501	1,516	2,847
IFRS 16 liabilities	25	19	15	12	11	23	105
Deposits and guarantees	19	10	-	-	-	-	29
Purchase commitments for non-controlling interests	129	42	-	-	-	4	175
Derivatives	1	-	-	-	-	-	1
Other	3	3	-	-	-	-	6
OTHER FINANCIAL LIABILITIES	177	74	15	12	11	27	316
TOTAL	**603**	**196**	**260**	**49**	**512**	**1,543**	**3,163**

At June 30, 2018

(in € millions)	First-half 2019	First-half 2020	First-half 2021	First-half 2022	First-half 2023	First-half 2024 and beyond	June 30, 2018
Debt and other financial liabilities	783	11	383	259	147	949	2,532
Total	**783**	**11**	**383**	**259**	**147**	**949**	**2,532**

6.5 . NET DEBT AND NET CASH

(in € millions)	June 30, 2020	Dec. 31, 2019
Non-current debt	2,931	2,421
Other non-current financial liabilities	130	139
Current debt	716	426
Other current financial liabilities	55	177
DEBT AND OTHER FINANCIAL LIABILITIES	**3,832**	**3,163**
Current financial assets	(192)	(136)
Other marketable securities	(1,004)	(733)
Cash and cash equivalents	(1,135)	(1,004)
CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS	**(2,331)**	**(1,873)**
NET DEBT	**1,501**	**1,290**

Other non-current and current financial liabilities include lease liabilities recognized in application of IFRS 16.

(in € millions)	First-half 2020	First-half 2019
Net debt at beginning of period	**1 290**	**659**
Impact of IFRS 16 at beginning of period	-	91
Increase (decrease) in non-current debt	510	80
Increase (decrease) in other non-current financial liabilities	(1)	18
Decrease (increase) in other marketable securities	(271)	10
Decrease (increase) in cash and cash equivalents, net of bank overdrafts	(107)	550
Increase (decrease) in other financial assets and liabilities excluding bank overdrafts	89	227
Increase (decrease) in net debt	**220**	**976**
Impact of IFRS 16	(9)	(4)
NET DEBT AT END OF PERIOD	**1 501**	**1 631**

6.6 . FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

Interest rate risk: fixed/variable interest rate analysis

Before hedging

Debt, excluding bank overdrafts, before interest rate hedging breaks down as follows:

	June 30, 2020			Dec. 31, 2019		
(in € millions)	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt(1)	3 470	1,4%	97%	2 724	1,5%	97%
Variable-rate debt	101	1,9%	3%	71	1,4%	3%
DEBT *	**3 571**	**1,5%**	**100%**	**2 795**	**1,5%**	**100%**

* Debt excluding bank overdrafts

(1) The rates mentioned for fixed-rate debt correspond to the contractual rates (i.e., 3.750%, 2.625%, 1.375% and 1.875%) applied to the exact number of days in the year divided by 360.

After hedging

Debt, excluding bank overdrafts, after interest rate hedging breaks down as follows:

	June 30, 2020			Dec. 31, 2019		
(in € millions)	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt	1 286	0,7%	36%	866	0,6%	31%
Variable-rate debt	2 285	1,0%	64%	1 929	0,9%	69%
DEBT *	**3 571**	**0,9%**	**100%**	**2 795**	**0,8%**	**100%**

Foreign exchange risk: currency analysis

Before hedging

Debt, excluding bank overdrafts, before currency hedging breaks down as follows:

	June 30, 2020			Dec. 31, 2019		
(in € millions)	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3 529	1,4%	99%	2 785	1,5%	100%
Other currencies	42	3,9%	1%	10	6,1%	0%
DEBT *	**3 571**	**1,5%**	**100%**	**2 795**	**1,5%**	**100%**

* Debt excluding bank overdrafts

After hedging

Debt, excluding bank overdrafts, after currency hedging breaks down as follows:

(in € millions)	June 30, 2020			Dec. 31, 2019		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3 495	0,9%	98%	2 751	0,8%	98%
Other currencies	76	2,9%	2%	44	3,8%	2%
DEBT *	**3 571**	**0,9%**	**100%**	**2 795**	**0,8%**	**100%**

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 €2,232 million relating to an underlying debt of €2,607 million. At June 30, 2020, the derivatives had a fair value of €92 million, recorded in assets.

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 rose from 30.1% in first-half 2019 to 33.5% in the six months to June 30, 2020.

The 3.4 point increase in the effective tax rate between 2019 and 2020 is attributable to a 2020 restated effective tax rate of 32.9% and a 2019 restated rate of 32.8%, reflecting:

- a provision for tax risk for €1 million in 2020;
- a tax correction in June 2019 in respect of 2018 for €2 million;
- the impact of the tax effect of changes in consolidation scope and changes in taxation in 2019, which were only taken into account in second-half 2019, for a negative €8 million.

NOTE 8 : EARNINGS PER SHARE

At June 30, 2020, the Company's share capital was made up of 246,583,351 shares.

At June 30, 2020, the number of shares outstanding and the weighted average number of shares outstanding broke down as follows:

(in shares)	First-half 2020	First-half 2019
SHARE CAPITAL AT END OF PERIOD	**246,583,351**	**243,328,507**
Number of shares outstanding at beginning of period	**242,067,214**	**237,899,138**
Number of shares issued for dividend payments	3,378,494	3,938,507
Number of shares issued on conversion of performance share plans	780,301	894,357
Number of shares issued on conversion of stock-option plans*	30,150	123,650
Number of shares canceled	(810,451)	(894,357)
Issued shares at period-end excluding treasury shares	**3,378,494**	**4,062,157**
Treasury shares not related to the liquidity contract	426,611	1,309,227
Treasury shares under the liquidity contract	(55,236)	20,384
Treasury shares	**371,375**	**1,329,611**
NUMBER OF SHARES OUTSTANDING AT END OF PERIOD	**245,817,083**	**243,290,906**
Adjustment to calculate weighted average number of issued shares	(2,934,931)	(3,597,116)
Adjustment to calculate weighted average number of treasury shares	(52,875)	439,511
Total weighted average adjustment	**(2,987,806)**	**(3,157,604)**
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE PERIOD	**242,829,277**	**240,133,302**

* Excluding the 3,200 shares issued on exercise of stock options between June 3 and June 30, 2019.

In addition, 1,690,374 performance shares were granted to employees between 2018 and 2020. Conversion of all of these potential shares would increase the number of shares outstanding to 247,507,457.

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

- from January 1, 2020 to June 30, 2020 for Plans 10 and 11 (€41.70);
- from March 10, 2020 to June 30, 2020 for Plan 12 (€37.61);
- from May 6, 2020 to June 30, 2020 for Plan 13 (€38.49);

The diluted weighted average number of shares outstanding at June 30, 2020 was 243,870,720.

	First-half 2020	First-half 2019
Net profit attributable to owners of the parent *(in € millions)*	**100**	**146**
Weighted average number of issued shares *(in thousands)*	243,648	239,731
Weighted average number of treasury shares *(in thousands)*	(819)	402
Number of shares used to calculate basic earnings per share *(in thousands)*	**242,829**	**240,133**
BASIC EARNINGS PER SHARE *(in €)*	**0.41**	**0.61**
Number of shares resulting from the exercise of stock options *(in thousands)*	-	34
Number of shares resulting from performance share grants *(in thousands)*	1,041	1,800
Number of shares used to calculate diluted earnings per share *(in thousands)*	**243,871**	**241,967**
DILUTED EARNINGS PER SHARE *(in €)*	**0.41**	**0.60**

NOTE 9 : EMPLOYEE BENEFITS

9.1 . SHARE-BASED PAYMENTS

Main characteristics

On February 25, 2020, the Board of Directors authorized the Chairman and Chief Executive Officer to grant 502,551 performance share rights on March 10, 2020 (Plan 12).

On May 6, 2020, the Board of Directors set up an additional performance share plan (Plan 13) comprising 12,013 performance share rights.

The shares originally granted under these three-year plans will vest on March 10, 2023 and May 7, 2023, respectively, provided that several performance conditions are met.

Fulfillment of the performance conditions will be assessed over the period from January 1, 2020 to December 31, 2022, 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 like-for-like growth in:

- ✓ operating EBIT,
- ✓ funds from operations before other income and expenses (FFO);

(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 plans' 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 last trading day before the grant, net of the expected dividend payment during the vesting period.

The current fair value of Plan 12 performance shares is €37.79 per share, compared with a share price of €42.05 on March 10, 2020, the grant date. The current fair value of Plan 13 performance shares is €33.66 per share, compared with a share price of €37.46 on May 6, 2020, 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 2020 plans amounted to €1 million in first-half 2020.

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:

(in € millions)	First-half 2020	First-half 2019
Movements in restructuring provisions	-	1
Restructuring and reorganization costs	(4)	(1)
Restructuring expenses	**(4)**	**-**
Impairment of property, plant and equipment	-	(1)
Impairment of intangible assets	(6)	-
Impairment of assets	**(6)**	**(1)**
Capital gains and losses	(1)	(4)
Reclassification of currency translation adjustments	1	(1)
Provisions	5	16
Non-recurring gains (losses)	(8)	(22)
Other	**(3)**	**(11)**
TOTAL OTHER INCOME AND EXPENSES	**(13)**	**(12)**

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

- 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 and litigation");
- recognition of a €7 million loss related to a platform migration in Mexico and the transfer of client cards historical balances;
- restructuring costs for €4 million.

Other income and expenses in first-half 2019 were primarily as follows:

- €4 million in fees related to acquisitions in 2019 (Cf. Note 2 "Acquisitions, development projects and disposals");
- €3 million in additional impairment of Russian assets;
- reversal of a provision relating to the dispute with Kering (formerly PPR) and Conforama for €19 million and recognition of a corresponding entry in non-recurring expenses.

10.2 . PROVISIONS

Movements in non-current provisions between January 1, 2020 and June 30, 2020 can be analyzed as follows:

(in € millions)	Dec. 31, 2019	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassi-fications and changes in scope	June 30, 2020
- Provisions for pensions and loyalty bonuses	31	(1)	2	(0)	-	(1)	0	31
- Provisions for claims and litigation and other contingencies	12	-	-	(0)	(2)	(3)	(0)	7
TOTAL NON-CURRENT PROVISIONS	**43**	**(1)**	**2**	**(0)**	**(2)**	**(4)**	**(0)**	**38**

Movements in current provisions between January 1, 2020 and June 30, 2020 can be analyzed as follows:

(in € millions)	Dec. 31, 2019	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassi-fications and changes in scope	June 30, 2020
- Restructuring provisions	3	-	2	(2)	-	-	-	3
- Provisions for claims and litigation and other contingencies	19	-	1	(1)	(8)	-	(1)	10
TOTAL CURRENT PROVISIONS	**22**	**-**	**3**	**(3)**	**(8)**	**-**	**(1)**	**13**

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

The reversal of €8 million in unused amounts mainly comprised the reversal of a €6 million provision relating to the ICSID dispute with the Hungarian government.

10.3 . CLAIMS AND LITIGATION

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).

Information on these disputes can be found in Note 10.3 to the consolidated financial statements for the year ended December 31, 2019. Developments in first-half 2020 are presented below.

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 of the same amount. The tax authorities have accepted the proposed stay of payment. 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. It therefore intends to appeal this ruling and, based on the opinion of its legal advisors, considers that it has strong arguments to challenge the Antitrust Authority's decision. Therefore, the Company has not set aside a related provision.

ICSID dispute

Following a change in the Hungarian regulatory and tax framework related to the issuance conditions of meal and food vouchers, the Company filed a request for arbitration in August 2013 against the Hungarian government before the International Centre for Settlement of Investment Disputes (ICSID). The hearing was held before the arbitral tribunal in November 2015, and on December 13, 2016, the tribunal sentenced the Hungarian government to pay Edenred approximately €23 million, excluding interest (5% per year starting on January 1, 2012, which represents approximately €6 million). This decision represents an important step in the settlement of the dispute.

As the procedure is now closed, at December 31, 2016, the amount to be received is considered as certain according to IAS 37. As a consequence and pending the enforcement of the arbitral award, an estimate considered as reasonable of income and a related receivable for a net amount of €22 million were recognized in "Non-recurring income and expenses" in the Group's financial statements for the year ended December 31, 2016. This amount was received in March 2017. On April 11, 2017, the Hungarian government filed an application for annulment of the award, claiming that the tribunal had manifestly exceeded its powers and had failed to provide a legal basis for its award. It also filed an application for the revision of the tribunal's decision of June 5, 2018, in reference to a decision handed down by the Court of Justice of the European Union on March 6, 2018 in the Achméa case. The reconstituted tribunal dismissed the Hungarian government's claims, notably in a decision handed down on March 9, 2020. After consulting with its legal advisors, Edenred considers that the procedure is now closed and that no other legal remedies are available to the Hungarian government to challenge the ruling of the arbitral tribunal (see Note 10.2).

Edenred SA tax audit

In 2018 and 2019, a tax audit was carried out at Edenred SA, 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, on the grounds that the brand royalties billed to the Brazilian subsidiaries were understated and were not on arm's length terms.

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 total tax, late interest and penalties claimed for the three years amount to €17 million. The Company 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 notified the Company on July 3, 2020 that they would be maintaining the reassessment.

Based on the opinion of its tax advisers, the Company believes that it has solid arguments in its defense. The Company has not set aside a related provision.

Tax litigation in Italy

In 2019, a tax audit was carried out at Edenred Italy, covering the period from 2014 to 2016.

In June 2019, the Italian tax authorities informed the company that the tax audit had been completed. The tax authorities have challenged the brand royalties billed to Edenred Italia by Edenred SA, as well as the timing of revenue recognition.

In November 2019, the authorities issued a proposed reassessment with the effect of suspending the statute of limitations, contesting the amount of brand royalties billed to Edenred Italia by Edenred SA in 2014. As no consensus was reached further to the discussions with the tax authorities in the first half of 2020, Edenred initiated a mutual agreement procedure (MAP) between the Italian and French tax authorities on May 28, 2020 in respect of the reassessment.

Based on the opinion of its tax advisers, the Company believes that it has solid arguments in its defense.

A provision of €1 million has been set aside for this matter, corresponding to the Company's estimate of the reassessment risk, which is viewed as limited.

Tax allowance for goodwill amortization

In January 2012, the Brazilian federal tax authorities notified Ticket Serviços of a reassessment of corporate income tax and the additional contribution (IRPJ and CSLL) for the fiscal years spanning from 2007 to 2010. The principal amount of the reassessment was 82 million Brazilian reais (€13 million), plus 271 million Brazilian reais (€44 million) in penalties and interest at December 31, 2019.

During 2016, the tax authorities issued two new reassessments, in line with the previous reassessment, for the following periods:

- for 2011, the principal amount of the reassessment was 25 million Brazilian reais (€4 million), plus 68 million Brazilian reais (€11 million) in penalties and interest at December 31, 2019;
- for 2012, the reassessment was 16 million Brazilian reais (€3 million), plus 43 million Brazilian reais (€7 million) in penalties and interest at December 31, 2019.

The tax authorities disallowed the tax deductibility of the goodwill amortization recognized on the buyout of the minority interest in Ticket Serviços. Ticket Serviços initiated proceedings before the administrative courts. The motion was denied by the higher court. The company was officially notified of this decision on August 14, 2015 and filed a request for clarification.

The request was rejected by the administrative courts.

The company has filed a first-instance request before the judicial courts to have the reassessments canceled and an application has also been made for a stay of payment of the contested amount. In 2018, the company posted a bank guarantee in support of its application for a stay of payment in an amount of 352 million Brazilian reais (€58 million), which constitutes an off-balance sheet commitment given by the Group.

On June 25, 2020, the first-instance judicial courts rejected the company's application. The company intends to appeal this decision before the Federal Regional Court by the relevant deadline.

Based on the opinion of its tax advisers, the Company believes that the chance of a favorable outcome is very good. Therefore, the Company has not set aside a related provision.

NOTE 11 : UPDATE ON ACCOUNTING STANDARDS

11.1 . STANDARDS, AMENDMENTS AND INTERPRETATIONS MANDATORY FROM JANUARY 1, 2020

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

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

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current;
- Amendments to IFRS 3 – Reference to the Conceptual Framework;
- Amendments to IFRS 4 – Extension of the Temporary Exemption from Applying IFRS 9;
- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use;
- Annual Improvements to IFRSs – 2018-2020 Cycle.

11.2 . STANDARDS, AMENDMENTS AND INTERPRETATIONS OPTIONAL FOR REPORTING PERIODS BEGINNING ON OR AFTER JANUARY 1, 2019

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

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

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 – Definition of Material
- Amendments to IFRS 3 – Business Combinations
- IFRS 17 – Insurance Contracts.

The Group chose not to early adopt these standards and amendments at January 1, 2019.

3

AUDITORS' review report on the half year consolidated financial statements

DELOITTE & ASSOCIES
6, place de la Pyramide
92 908 Paris – La Défense cedex
S.A. au capital de € 2 188 160
572 028 041 R.C.S Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

ERNST & YOUNG Audit
Tour First
TSA 14444
92 037 Paris – La Défense cedex
S.A.S. à capital variable
344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

EDENRED S. A.

Société Anonyme

14-16 boulevard Garibaldi
92130 Issy-les-Moulineaux

Statutory Auditor's Review Report on the Interim Financial Information

For the period from January 1 to June 30, 2020

This is a free translation into English of the statutory auditors' review report on the half-year 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-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by 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-year consolidated financial statements of Edenred, for the period from January 1st to June 30th, 2020,

- the verification of the information presented in the half-year management report.

These condensed half-year consolidated financial statements were prepared under the responsibility of the Board of Directors on July 24th, 2020 on the basis of the information available at that date in the evolving context of the crisis related to Covid-19 and of difficulties in assessing its impact and future prospects. 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-year 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-year management report on the condensed half-year consolidated financial statements subject to our review prepared on July 24th, 2020.

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

Paris-La-Défense, July 27, 2020

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Patrick E. Suissa	Marie Le Treut

4

DECLARATION BY PERSONS RESPONSIBLE FOR THE HALF-YEARLY FINANCIAL REPORT

Statement by the person responsible for the 2020 half-year financial report

I declare that, to the best of my knowledge, (i) the condensed financial statements for the first half of 2020 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 (ii) the half-year management report on page 3 includes a fair review of material events of the first six months of the financial year, of their impact on the half-year financial statements and of the main related-party transactions as well as an overview of the main risks and uncertainties in the second half of the year.

Issy-les-Moulineaux – July 27, 2020

Bertrand Dumazy

Chairman and Chief Executive Officer