

**2021** Consolidated  
financial statements  
& notes ●





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# 1

# CONSOLIDATED FINANCIAL STATEMENTS

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## 1.1 CONSOLIDATED INCOME STATEMENT

<i>(in € millions)</i>	Notes	2021	2020
Operating revenue	4.2	1,583	1,423
Other revenue	4.2	44	42
<b>Total revenue</b>	4.2	<b>1,627</b>	<b>1,465</b>
Operating expenses	4.3	(957)	(885)
Depreciation, amortization and impairment losses	5.6	(132)	(125)
<b>Operating profit before other income and expenses (EBIT)</b>	4.5	<b>538</b>	<b>455</b>
Share of net profit from equity-accounted companies	5.4	8	13
Other income and expenses	10.1	(33)	(41)
<b>Operating profit including share of net profit from equity-accounted companies</b>		<b>513</b>	<b>427</b>
Net financial expense	6.1	(19)	(37)
<b>Profit before tax</b>		<b>494</b>	<b>390</b>
Income tax expense	7	(151)	(124)
<b>NET PROFIT</b>		<b>343</b>	<b>266</b>
Net profit attributable to owners of the parent		313	238
Net profit attributable to non-controlling interests	8.3	30	28
Earnings per share (in €)	8.2	1.26	0.97
Diluted earnings per share (in €)	8.2	1.19	0.97

## 1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(in € millions)</i>	2021	2020
<b>Net profit</b>	<b>343</b>	<b>266</b>
<b>Other comprehensive income</b>		
Currency translation adjustment	64	(299)
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	(39)	5
Tax on items that may be subsequently reclassified to profit or loss	13	(1)
<b>Items that may be subsequently reclassified to profit or loss</b>	<b>38</b>	<b>(295)</b>
Actuarial gains and losses on defined-benefit plans	3	(1)
Tax on items that may not be subsequently reclassified to profit or loss	-	-
<b>Items that may not be subsequently reclassified to profit or loss</b>	<b>3</b>	<b>(1)</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>41</b>	<b>(296)</b>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>384</b>	<b>(30)</b>
Comprehensive income (loss) attributable to owners of the parent	1.5	354
Comprehensive income attributable to non-controlling interests	1.5	30

# 1.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## CONSOLIDATED ASSETS

<i>(in € millions)</i>	Notes	DEC. 31, 2021	DEC. 31, 2020
Goodwill	5.1	1,506	1,457
Intangible assets	5.2	677	655
Property, plant and equipment	5.3	156	148
Investments in equity-accounted companies	5.4	67	64
Non-current financial assets	6.2	140	132
Deferred tax assets	7.2	38	49
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,584</b>	<b>2,505</b>
Trade receivables	4.8	2,119	1,743
Inventories, other receivables and accruals	4.8	470	326
Restricted cash	4.7	2,428	2,578
Current financial assets	6.2	43	130
Other marketable securities	6.3	1,185	1,021
Cash and cash equivalents	6.3	1,494	1,125
<b>TOTAL CURRENT ASSETS</b>		<b>7,739</b>	<b>6,923</b>
<b>TOTAL ASSETS</b>		<b>10,323</b>	<b>9,428</b>

## CONSOLIDATED EQUITY AND LIABILITIES

<i>(in € millions)</i>	Notes	DEC. 31, 2021	DEC. 31, 2020
Issued capital		499	493
Additional paid-in capital and consolidated retained earnings (accumulated losses)		(770)	(1,011)
Currency translation adjustment		(615)	(675)
Treasury shares		(67)	(37)
<b>Equity attributable to owners of the parent</b>		<b>(953)</b>	<b>(1,230)</b>
Non-controlling interests		84	96
<b>Total equity</b>	8	<b>(869)</b>	<b>(1,134)</b>
Non-current debt	6.4/6.5	3,023	2,928
Other non-current financial liabilities	6.4/6.5	120	99
Non-current provisions	10.2	34	33
Deferred tax liabilities	7.2	137	129
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,314</b>	<b>3,189</b>
Current debt	6.4/6.5	348	266
Other current financial liabilities	6.4/6.5	47	98
Current provisions	10.2	14	16
Funds to be redeemed	4.6	5,258	4,874
Trade payables	4.6	721	669
Current tax liabilities	4.6	27	11
Other payables	4.8	1,463	1,439
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,878</b>	<b>7,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,323</b>	<b>9,428</b>

# 1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	2021	2020
+ Net profit attributable to owners of the parent		313	238
+ Non-controlling interests		30	28
- Share of net profit from equity-accounted companies	5.4	(8)	(13)
- Depreciation, amortization and changes in operating provisions		127	130
- Expenses related to share-based payments		12	14
- Non-cash impact of other income and expenses		24	36
- Difference between income tax paid and income tax expense		16	(2)
+ Dividends received from equity-accounted companies	5.4	14	16
<b>= Funds from operations including other income and expenses</b>		<b>528</b>	<b>447</b>
- Other income and expenses (including restructuring costs)		28	28
<b>= Funds from operations before other income and expenses (FFO)</b>		<b>556</b>	<b>475</b>
+ Decrease (increase) in working capital	4.6	(145)	1,039
+ Recurring decrease (increase) in restricted cash	4.7	221	(770)
<b>= Net cash from (used in) operating activities</b>		<b>632</b>	<b>744</b>
+/- Other income and expenses (including restructuring costs) received/paid		(28)	(26)
<b>= Net cash from (used in) operating activities including other income and expenses (A)</b>		<b>604</b>	<b>718</b>
- Acquisitions of property, plant and equipment and intangible assets		(114)	(104)
- Acquisitions of investments		(19)	(63)
- External acquisition expenditure, net of cash acquired		(72)	(127)
+ Proceeds from disposals of assets		25	-
<b>= Net cash from (used in) investing activities (B)</b>		<b>(180)</b>	<b>(294)</b>
+ Capital increase		(1)	3
- Dividends paid <sup>(1)</sup>	3.1	(96)	(81)
+ (Purchases) sales of treasury shares		(41)	(23)
+ Increase in non-current debt	6.5	416	633
- Decrease in non-current debt	6.5	-	(6)
+ Change in current debt net of change in short-term investments		(335)	(812)
<b>= Net cash from (used in) financing activities (C)</b>		<b>(57)</b>	<b>(286)</b>
- Net foreign exchange differences (D)		10	(74)
<b>= Net increase (decrease) in cash and cash equivalents (E) = (A) + (B) + (C) + (D)</b>		<b>377</b>	<b>64</b>
+ Cash and cash equivalents at beginning of period		1,016	952
- Cash and cash equivalents at end of period		1,393	1,016
<b>= NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>377</b>	<b>64</b>

(1) Including cash dividends paid to owners of the parent for €60 million (€0.75 per share) and cash dividends paid to non-controlling interests for €36 million.

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

(in € millions)	Notes	DEC. 31, 2021	DEC. 31, 2020
+ Cash and cash equivalents	6.3	1,494	1,125
- Bank overdrafts	6.5	(101)	(109)
<b>= NET CASH AND CASH EQUIVALENTS</b>		<b>1,393</b>	<b>1,016</b>

# 1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Issued capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings (accumulated losses) <sup>(2)</sup>	Cumulative compensation costs – share-based payments	Cumulative fair value adjustments to financial instruments	Cumulative actuarial gains (losses) on defined-benefit plans	Cumulative currency translation adjustment <sup>(1)</sup>	Net profit attributable to owners of the parent	Equity attributable to owners of the parent	Total non-controlling interests	Total equity
<b>DEC. 31, 2019</b>	<b>486</b>	<b>880</b>	<b>(48)</b>	<b>(2,579)</b>	<b>127</b>	<b>29</b>	<b>(9)</b>	<b>(391)</b>	<b>312</b>	<b>(1,193)</b>	<b>150</b>	<b>(1,043)</b>
Appropriation of 2019 net profit	-	-	-	312	-	-	-	-	(312)	-	-	-
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-	-	-
- in cash	-	-	-	-	-	-	-	-	-	-	5	5
- cancellation of treasury shares	-	(34)	-	-	-	-	-	-	-	(34)	-	(34)
- options exercised	-	1	-	-	-	-	-	-	-	1	-	1
- dividends reinvested in new shares	7	103	-	-	-	-	-	-	-	110	-	110
Dividends paid	-	-	-	(170)	-	-	-	-	-	(170)	(21)	(191)
Changes in consolidation scope <sup>(4)</sup>	-	-	-	69	-	-	-	-	-	69	(51)	18
Compensation costs – share-based payments	-	-	-	-	14	-	-	-	-	14	-	14
(Acquisitions) disposals of treasury shares	-	-	11	-	-	-	-	-	-	11	-	11
Other	-	-	-	5	-	-	-	-	-	5	-	5
<b>Other comprehensive income</b>	-	-	-	-	-	<b>4</b>	<b>(1)</b>	<b>(284)</b>	-	<b>(281)</b>	<b>(15)</b>	<b>(296)</b>
Net profit for the period	-	-	-	-	-	-	-	-	238	238	28	266
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	-	-	-	<b>4</b>	<b>(1)</b>	<b>(284)</b>	<b>238</b>	<b>(43)</b>	<b>13</b>	<b>(30)</b>
<b>DEC. 31, 2020</b>	<b>493</b>	<b>950</b>	<b>(37)</b>	<b>(2,363)</b>	<b>141</b>	<b>33</b>	<b>(10)</b>	<b>(675)</b>	<b>238</b>	<b>(1,230)</b>	<b>96</b>	<b>(1,134)</b>
Appropriation of 2020 net profit	-	-	-	238	-	-	-	-	(238)	-	-	-
Increase (decrease) in share capital	-	-	-	-	-	-	-	-	-	-	-	-
- in cash	-	-	-	-	-	-	-	-	-	-	2	2
- cancellation of treasury shares	-	(13)	-	-	-	-	-	-	-	(13)	-	(13)
- options exercised	-	-	-	-	-	-	-	-	-	-	-	-
- dividends reinvested in new shares	6	118	-	-	-	-	-	-	-	124	-	124
Dividends paid <sup>(3)</sup>	-	-	-	(185)	-	-	-	-	-	(185)	(36)	(221)
Changes in consolidation scope <sup>(4)</sup>	-	-	-	9	-	-	-	(1)	-	8	(7)	1
Compensation costs – share-based payments	-	-	-	-	12	-	-	-	-	12	-	12
(Acquisitions) disposals of treasury shares	-	-	(30)	-	-	-	-	-	-	(30)	-	(30)
Other <sup>(5)</sup>	-	-	-	7	-	-	-	-	-	7	(1)	6
<b>Other comprehensive income<sup>(6)</sup></b>	-	-	-	-	-	<b>(23)</b>	<b>3</b>	<b>61</b>	-	<b>41</b>	-	<b>41</b>
Net profit for the period	-	-	-	-	-	-	-	-	313	313	30	343
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	-	-	-	<b>(23)</b>	<b>3</b>	<b>61</b>	<b>313</b>	<b>354</b>	<b>30</b>	<b>384</b>
<b>DEC. 31, 2021</b>	<b>499</b>	<b>1,055</b>	<b>(67)</b>	<b>(2,294)</b>	<b>153</b>	<b>10</b>	<b>(7)</b>	<b>(615)</b>	<b>313</b>	<b>(953)</b>	<b>84</b>	<b>(869)</b>

(1) See Note 1.5 "Presentation currency and foreign currencies" detailing the main exchange rates used in 2020 and 2021. The €615 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 €395 million, the Venezuelan bolivar for €130 million, the Argentine peso for €23 million and the Mexican peso for €22 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 €185 million paid to Group shareholders (of which €60 million in cash and €124 million in shares – Note 3.1 "Payment of the 2020 dividend") and €36 million paid to minority shareholders.

(4) Changes in consolidation scope in 2020 (excluding the currency effect) correspond mainly to the acquisition of the remaining 17% of UTA.

Changes in consolidation scope in 2021 correspond mainly to the exercise of the call option on the remaining 46% of Timex Card (see Note 2 "Acquisitions, development projects and disposals").

(5) The line "Other" corresponds mainly to the €13 million net deferred tax impact of the conversion option for the OCEANE issuance.

(6) The change in cumulative fair value adjustments mainly corresponds to the change in the market value of interest rate derivatives in Brazil.

# 2

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- NOTE 1 PRESENTATION OF THE GROUP AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**
- NOTE 2 ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS**
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**NOTE 12 LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2021**

**NOTE 13 UPDATE ON ACCOUNTING STANDARDS**

**NOTE 14 GLOSSARY**



This icon indicates an IFRS standard issue.



This icon indicates a definition specific to the Edenred Group.



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



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

# NOTE 1 PRESENTATION OF THE GROUP AND BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 1.1 BUSINESS OVERVIEW

**Edenred** is a leading digital platform for services and payments and the everyday companion for people at work, connecting over 50 million users and 2 million partner merchants in 46 countries via roughly 900,000 corporate clients.

Edenred offers specific-purpose payment solutions for food (such as meal benefits), incentives (such as gift cards, employee engagement platforms), mobility (such as multi-energy, maintenance, toll, parking and commuter solutions) and corporate payments (such as virtual cards).

True to the Group's purpose, "Enrich connections. For good.", these solutions enhance users' well-being and purchasing power. They improve companies' attractiveness and efficiency, and vitalize the employment market and the local economy. They also foster access to healthier food, more environmentally friendly products and softer mobility.

Edenred's 10,000 employees are committed to making the world of work a connected ecosystem that is safer, more efficient and more responsible every day.

In 2021, thanks to its global technology assets, the Group managed close to €30 billion in business volume, primarily carried out via mobile applications, online platforms and cards.

Edenred is listed on the Euronext Paris stock exchange and included in the following indices: CAC Next 20, CAC Large 60, Euronext 100, FTSE4Good and MSCI Europe.

## 1.2 MANAGEMENT OF THE GROUP'S CAPITAL STRUCTURE

The Group's main capital management objective is to maintain an "investment grade" credit rating and robust capital ratios in order to facilitate business operations and maximize shareholder value.

Its capital structure is optimized to keep pace with changes in economic conditions by adjusting dividends, returning capital to shareholders or issuing new shares.

## 1.3 INFORMATION ABOUT THE PARENT COMPANY EDENRED S.E.

Registered name: Edenred

Registered office: 14-16 boulevard Garibaldi, 92130 Issy-les-Moulineaux – France

The Company, initially incorporated as a French limited liability company (*société anonyme*), was converted to a European Company (*Société Européenne, Societas Europaea*) pursuant to a decision of the Extraordinary General Meeting of May 11, 2021. It is governed by applicable European Union law and French law provisions in force, and these bylaws.

*Société Européenne à conseil d'administration* (European joint-stock company with a Board of Directors) with share capital of €499,176,118, registered in France

Registered on the Nanterre Trade and Companies Register under No. 493 322 978

NAF code: 7010Z

These financial statements for the year ended December 31, 2021 were approved for publication by the Board of Directors of Edenred on February 21, 2022. They will be submitted for shareholders' approval during the General Meeting on May 11, 2022.

## 1.4 BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS



Pursuant to European Regulation (EC) 1606/2002 of July 19, 2002, the Edenred consolidated financial statements for the year ended December 31, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union as of that date. They include comparative financial information for 2020, prepared in accordance with the same principles and conventions and the same standards.

IFRSs are downloadable from the European Commission's website at the following address:

[https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting\\_fr#overview](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_fr#overview)

The consolidated financial statements are presented in million euros, rounded to the nearest million. In some cases, rounding may lead to non-material differences between reported totals and the sum of the reported amounts.

The accounting policies used by the Group to prepare the 2021 consolidated financial statements are the same as those applied to prepare the 2020 consolidated financial statements, with the exception of the standards, amendments and interpretations effective for annual reporting periods beginning on or after January 1, 2021 (Note 13.1).

## 1.5 PRESENTATION CURRENCY AND FOREIGN CURRENCIES



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

ISO code	Currency	Country	2021		2020	
			Closing rate at Dec. 31, 2021	Average rate	Closing rate at Dec. 31, 2020	Average rate
			EUR 1 =	EUR 1 =	EUR 1 =	EUR 1 =
ARS	Peso	ARGENTINA	116.36	116.36	103.26	103.26
BRL	Real	BRAZIL	6.31	6.38	6.37	5.89
USD	US dollar	UNITED STATES	1.13	1.18	1.23	1.14
MXN	Peso	MEXICO	23.14	23.98	24.42	24.54
RON	Leu	ROMANIA	4.95	4.92	4.87	4.84
GBP	Pound sterling	UNITED KINGDOM	0.84	0.86	0.90	0.89
SEK	Krona	SWEDEN	10.25	10.15	10.03	10.49
CZK	Koruna	CZECH REPUBLIC	24.86	25.64	26.24	26.46
TRY	Lira	TURKEY	15.23	10.51	9.11	8.05
VES*	Bolivar	VENEZUELA	5.20	3.77	1,303,310.73	375,986.70

\* Entry into force of the digital bolivar, with a new monetary scale that removes six zeros from the currency.

The impact on attributable consolidated equity of currency translation adjustments was a positive €61 million between December 31, 2020 and December 31, 2021. The difference mainly reflects movements in the following currencies:

ISO code	Currency	Country	DEC. 31, 2021
USD	US dollar	UNITED STATES	42
MXN	Peso	MEXICO	10
GBP	Pound sterling	UNITED KINGDOM	12
BRL	Real	BRAZIL	6
TRY	Lira	TURKEY	(6)

### Hyperinflation in Argentina

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

A EUR/ARS exchange rate of 116.36 has been used. Non-monetary items have been adjusted using the consumer price index published by Argentina's national statistics institute, INDEC.

The application of hyperinflationary accounting to Argentina had a €3 million negative impact on net profit attributable to owners of the parent, and a €3 million positive impact on consolidated equity.

## 1.6 USE OF JUDGMENTS AND ESTIMATES

### 1.6.1 Estimates

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

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

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

- measurement of goodwill (Note 5.1) and intangible assets (Note 5.2). The Group has taken into account the uncertainties surrounding the Covid-19 health crisis in its measurement of the recoverable amounts of these assets;
- measurement of provisions for recoverable current assets (Note 10.2);
- measurement of deferred tax assets recognized on tax loss carryforwards (Note 7.2), taking into account any impacts of the Covid-19 health crisis on taxable income projections.

### 1.6.2 Judgments

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

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

- whether there are any indications of impairment of goodwill and intangible assets;
- expected credit losses amid the uncertainty.

In addition, the Group has assessed the financial risks related to the effects of climate change and presented mitigation measures. Currently, their impact on the financial statements is not material. However, the shift towards a low-carbon economy or the introduction of carbon tax policies to regulate emissions could have an impact on some of the Group's fleet and mobility solutions. The Group is therefore anticipating these transition issues by implementing risk mitigation measures.

## NOTE 2 ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS



In accordance with IFRS 10 – Consolidated Financial Statements, control over an entity has been determined based on a review of the criteria specified in the standard, which is not limited to the interest held in the entity (more than 50%); an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired. For this purpose, fair values are determined in the new subsidiary's local currency. In subsequent years, these fair value adjustments follow the same accounting treatment as the items to which they relate.

In accordance with IFRS 11 – Joint Arrangements, companies over which the Group exercises significant influence, either directly or indirectly, are accounted for by the equity method. Under the equity method, investments in associates and joint ventures are initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

The Group has accounted for business combinations and changes in ownership interest that do not result in a loss of control in accordance with IFRS 3 (revised) – Business Combinations and IFRS 10 – Consolidated Financial Statements.

As part of certain acquisitions and/or business combinations, the Group has granted commitments to buy back minority shareholders' interests. The exercise price of these options can be fixed or calculated using a predefined formula, and they can be exercised at any time or at a set date.

The Group records a financial liability at its present value for the puts granted to the minority shareholders of the entities concerned. Subsequent changes to the commitment's value are recognized with adjustments to the equity attributable to owners of the parent.

All equity security transactions between controlling and non-controlling shareholders not involving a loss of control must be recognized directly in equity.

## ACQUISITIONS, DEVELOPMENT PROJECTS AND DISPOSALS IN 2021

### **La Compagnie des Cartes Carburant (LCCC)**

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

### **Timex**

On August 12, 2021, Edenred raised its stake in Timex to 100% following the exercise of the last call option on the remaining 46% of the share capital.



## NOTE 3 SIGNIFICANT EVENTS

### 3.1 PAYMENT OF THE 2020 DIVIDEND

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

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

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

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

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

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

### 3.3 SUBSEQUENT EVENTS

#### Extension of the maturity of the €750 million credit facility

At December 31, 2021, Edenred had a €750 million undrawn confirmed line of credit, expiring in February 2026. This facility will be used for general corporate purposes.

In February 2022, the maturity of the €750 million syndicated credit facility was extended by one year beyond its February 12, 2026 expiry date, following Edenred's exercise of the maturity extension option granted in the facility agreement. All participating banks accepted this extension. With the new five-year maturity, the facility will now be utilizable until February 2027.

#### Edenred strengthens its toll offering in Brazil with the acquisition of Greenpass

On February 22, Edenred announced that it had acquired a 51% controlling interest in Greenpass, an issuer of electronic toll solutions in Brazil. The deal strengthens Edenred's position in this business as well as its technology and sales capabilities in an attractive market offering significant cross-selling potential with its client base. It is fully in line with the Group's Beyond Fuel strategy to develop new non-fuel fleet and mobility services, enhancing its value proposition for fleet managers and expanding its addressable market.

# NOTE 4 OPERATING ACTIVITY

## 4.1 OPERATING SEGMENTS



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

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

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

### Chief operating decision maker



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

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

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

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

### Aggregation



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

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

Finally, “Other” includes the Edenred S.E. holding company, regional headquarters and companies with no operating activity.

Transactions between segments are not material.

## Condensed financial information

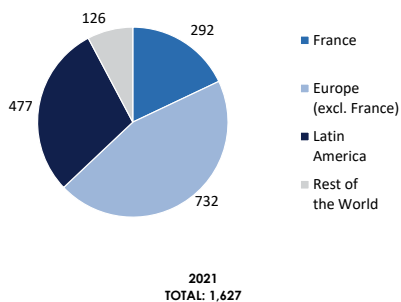
Executive management uses the following indicators to track business performance:

- total revenue;
- EBITDA;
- EBIT.

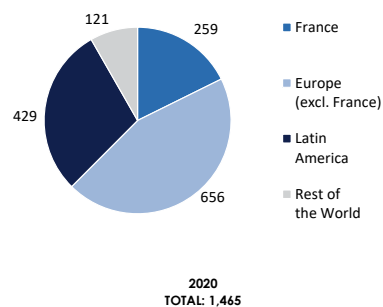


### TOTAL REVENUE FROM OPERATING SEGMENTS (including inter-segment revenue)

TOTAL REVENUE FROM OPERATING SEGMENTS  
(INCLUDING INTER-SEGMENT REVENUE)  
(in € millions)

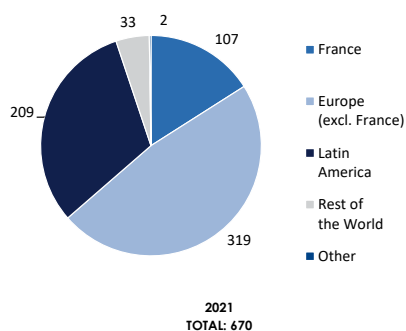


TOTAL REVENUE FROM OPERATING SEGMENTS  
(INCLUDING INTER-SEGMENT REVENUE)  
(in € millions)

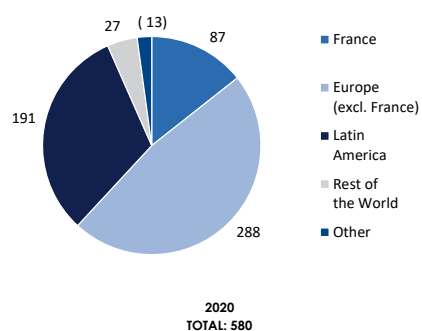


### EBITDA

EBITDA  
(in € millions)



EBITDA  
(in € millions)





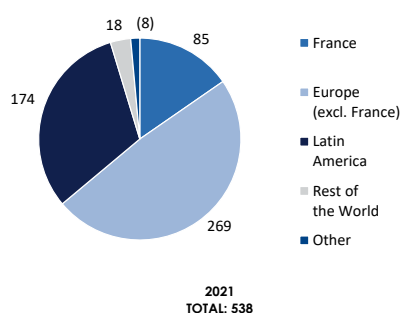
## RECONCILIATION OF EBITDA

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
Total revenue	292	732	477	126	-	1,627
Operating expenses	(185)	(413)	(268)	(93)	2	(957)
<b>EBITDA – 2021</b>	<b>107</b>	<b>319</b>	<b>209</b>	<b>33</b>	<b>2</b>	<b>670</b>
<b>EBITDA – 2020</b>	<b>87</b>	<b>288</b>	<b>191</b>	<b>27</b>	<b>(13)</b>	<b>580</b>

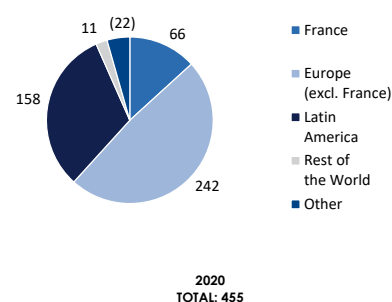


## EBIT

EBIT  
(in € millions)



EBIT  
(in € millions)



## STATEMENT OF FINANCIAL POSITION

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	DEC. 31, 2021
Goodwill	160	561	322	463	(0)	1,506
Intangible assets	80	251	213	111	22	677
Property, plant and equipment	43	63	22	10	18	156
Non-current financial assets and investments in equity-accounted companies	39	105	10	5	48	207
Deferred tax assets	5	16	17	-	-	38
<b>Non-current assets</b>	<b>327</b>	<b>996</b>	<b>584</b>	<b>589</b>	<b>88</b>	<b>2,584</b>
<b>Current assets</b>	<b>1,315</b>	<b>3,217</b>	<b>1,452</b>	<b>355</b>	<b>1,400</b>	<b>7,739</b>
<b>TOTAL ASSETS</b>	<b>1,642</b>	<b>4,213</b>	<b>2,036</b>	<b>944</b>	<b>1,488</b>	<b>10,323</b>
Equity and non-controlling interests	(192)	799	672	568	(2,716)	(869)
Non-current liabilities	53	119	90	11	3,041	3,314
Current liabilities	1,781	3,295	1,274	365	1,163	7,878
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,642</b>	<b>4,213</b>	<b>2,036</b>	<b>944</b>	<b>1,488</b>	<b>10,323</b>

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	DEC. 31, 2020
Goodwill	160	551	318	428	-	1,457
Intangible assets	76	248	199	114	18	655
Property, plant and equipment	29	69	21	9	20	148
Non-current financial assets and investments in equity-accounted companies	4	123	11	2	56	196
Deferred tax assets	1	24	9	1	14	49
<b>Non-current assets</b>	<b>270</b>	<b>1,015</b>	<b>558</b>	<b>554</b>	<b>108</b>	<b>2,505</b>
<b>Current assets</b>	<b>1,212</b>	<b>3,017</b>	<b>1,267</b>	<b>286</b>	<b>1,141</b>	<b>6,923</b>
<b>TOTAL ASSETS</b>	<b>1,482</b>	<b>4,032</b>	<b>1,825</b>	<b>840</b>	<b>1,249</b>	<b>9,428</b>
Equity and non-controlling interests	(23)	858	670	552	(3,191)	(1,134)
Non-current liabilities	34	127	79	10	2,939	3,189
Current liabilities	1,471	3,047	1,076	278	1,501	7,373
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,482</b>	<b>4,032</b>	<b>1,825</b>	<b>840</b>	<b>1,249</b>	<b>9,428</b>

## 4.2 SEGMENT INFORMATION



As explained in Note 14 "Glossary", like-for-like or organic growth corresponds to comparable data, that is, at constant scope of consolidation and exchange rates. This indicator reflects the Group's business performance.



Changes in revenue between 2021 and 2020 break down as follows:

(in € millions)	2021	2020	Organic growth		Changes in consolidation scope		Currency effect		Total change	
			In €m	As a %	In €m	As a %	In €m	As a %	In €m	As a %
Operating revenue	1,583	1,423	+197	+13.9%	(5)	(0.4)%	(32)	(2.2)%	+160	+11.3%
Other revenue	44	42	+5	+12.2%	(1)	(1.2)%	(2)	(6.5)%	+2	+4.6%
<b>Total revenue</b>	<b>1,627</b>	<b>1,465</b>	<b>+202</b>	<b>+13.8%</b>	<b>(6)</b>	<b>(0.4)%</b>	<b>(34)</b>	<b>(2.3)%</b>	<b>+162</b>	<b>+11.1%</b>

## 4.2.1 Segment information by indicator



### TOTAL REVENUE BY REGION

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

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Total revenue – 2021	292	732	477	126	<b>1,627</b>
Total revenue – 2020	259	656	429	121	<b>1,465</b>
Change	+33	+76	+48	+5	+162
% change	+12.3%	+11.6%	+11.2%	+5.3%	+11.1%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+33</b>	<b>+71</b>	<b>+76</b>	<b>+22</b>	<b>+202</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+12.3%</b>	<b>+11.0%</b>	<b>+17.7%</b>	<b>+18.6%</b>	<b>+13.8%</b>



### OPERATING REVENUE BY REGION

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

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Operating revenue – 2021	286	724	452	121	<b>1,583</b>
Operating revenue – 2020	253	647	406	117	<b>1,423</b>
Change	+33	+77	+46	+4	+160
% change	+12.8%	+11.9%	+11.4%	+4.3%	+11.3%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+34</b>	<b>+72</b>	<b>+72</b>	<b>+19</b>	<b>+197</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+12.8%</b>	<b>+11.3%</b>	<b>+17.9%</b>	<b>+16.5%</b>	<b>+13.9%</b>

In 2021, operating revenue for Brazil stood at to €307 million, versus €281 million in 2020.



## OTHER REVENUE

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.

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	TOTAL
Other revenue – 2021	6	8	25	5	<b>44</b>
Other revenue – 2020	6	9	23	4	<b>42</b>
Change	(0)	(1)	+2	+1	+2
% change	(6.2)%	(10.1)%	+7.9%	+36.7%	+4.6%
<b>LIKE-FOR-LIKE CHANGE</b>	<b>(0)</b>	<b>(1)</b>	<b>+3</b>	<b>+3</b>	<b>+5</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>(6.2)%</b>	<b>(11.0)%</b>	<b>+14.6%</b>	<b>+83.4%</b>	<b>+12.2%</b>

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

In view of the public health situation and the exceptional government measures introduced to postpone the expiry dates of reimbursement rights, the Group has adjusted the recognition of profits on expired vouchers to reflect the new expiry dates. (For the Complementary Solutions business line: the revenue corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions. The delivery date is, under IFRS 15, when the performance obligations are extinguished.)

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

<i>(in € millions)</i>	Employee Benefits	Fleet & Mobility Solutions	Complementary Solutions	TOTAL
Operating revenue – 2021	961	414	208	<b>1,583</b>
Operating revenue – 2020	874	355	194	<b>1,423</b>
Change	+87	+59	+14	<b>+160</b>
% change	+10.0%	+16.5%	+7.6%	<b>+11.3%</b>
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+105</b>	<b>+72</b>	<b>+20</b>	<b>+197</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+12.0%</b>	<b>+20.3%</b>	<b>+10.6%</b>	<b>+13.9%</b>

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



## 4.3 OPERATING EXPENSES



<i>(in € millions)</i>	2021	2020
Employee benefit expense	(475)	(444)
Cost of sales	(153)	(144)
Business taxes	(41)	(36)
Other operating expenses	(288)	(261)
<b>TOTAL OPERATING EXPENSES</b>	<b>(957)</b>	<b>(885)</b>

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.

## 4.4 EBITDA



Changes in EBITDA between 2021 and 2020 break down as follows:

<i>(in € millions)</i>	2021	2020	Organic growth		Changes in consolidation scope		Currency effect		Total change	
			In €m	As a %	In €m	As a %	In €m	As a %	In €m	As a %
<b>EBITDA</b>	<b>670</b>	<b>580</b>	<b>+106</b>	<b>+18.4%</b>	<b>+1</b>	<b>+0.1%</b>	<b>(17)</b>	<b>(3.0)%</b>	<b>+90</b>	<b>+15.5%</b>



EBITDA is analyzed by operating segment in the table below:

<i>(in € millions)</i>	France	Europe (excl. France)	Latin America	Rest of the World	Other	<b>TOTAL</b>
EBITDA – 2021	107	319	209	33	2	<b>670</b>
EBITDA – 2020	87	288	191	27	(13)	<b>580</b>
Change	+20	+31	+18	+6	+15	<b>+90</b>
% change	+23.6%	+10.7%	+9.6%	+19.6%	+112.7%	<b>+15.5%</b>
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+20</b>	<b>+29</b>	<b>+32</b>	<b>+12</b>	<b>+13</b>	<b>+106</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+23.6%</b>	<b>+10.0%</b>	<b>+16.5%</b>	<b>+44.7%</b>	<b>+101.2%</b>	<b>+18.4%</b>

## 4.5 EBIT



Changes in EBIT between 2021 and 2020 break down as follows:

(in € millions)	2021	2020	Organic growth		Changes in consolidation scope		Currency effect		Total change	
			In €m	As a %	In €m	As a %	In €m	As a %	In €m	As a %
<b>EBIT</b>	<b>538</b>	<b>455</b>	<b>+96</b>	<b>+21.2%</b>	<b>+1</b>	<b>+0.4%</b>	<b>(14)</b>	<b>(3.3)%</b>	<b>+83</b>	<b>+18.2%</b>



EBIT is analyzed by operating segment in the table below:

(in € millions)	France	Europe (excl. France)	Latin America	Rest of the World	Other	TOTAL
EBIT – 2021	85	269	174	18	(8)	<b>538</b>
EBIT – 2020	66	242	158	11	(22)	<b>455</b>
Change	+19	+27	+16	+7	+14	<b>+83</b>
% change	+28.6%	+11.2%	+9.6%	+66.0%	+67.8%	<b>+18.2%</b>
<b>LIKE-FOR-LIKE CHANGE</b>	<b>+19</b>	<b>+26</b>	<b>+26</b>	<b>+12</b>	<b>+13</b>	<b>+96</b>
<b>LIKE-FOR-LIKE CHANGE AS A %</b>	<b>+28.6%</b>	<b>+10.6%</b>	<b>+16.7%</b>	<b>+115.7%</b>	<b>+60.9%</b>	<b>+21.2%</b>

## 4.6 CHANGE IN WORKING CAPITAL AND FUNDS TO BE REDEEMED



Funds to be redeemed correspond to the face value of all vouchers in circulation and funds loaded on cards but not yet used. They derive from multiple transactions:

- on the one hand, with customers to whom vouchers have been issued or whose cards have been loaded, with a corresponding inflow recognized either in available cash or – depending on applicable regulations – in restricted cash (mainly in France, Belgium, the United States, the United Kingdom, Brazil, Romania and Mexico);
- on the other hand, with merchants that are reimbursed by Edenred with respect to the vouchers and cards used by employees in their establishments.

Considering Edenred's operations, the main components of working capital analyzed are funds to be redeemed and restricted cash. These two aggregates are key indicators for managing the business.

Funds to be redeemed are recognized in current liabilities.

<i>(in € millions)</i>	<b>DEC. 31, 2021</b>	<b>DEC. 31, 2020</b>	<b>Change</b>
Inventories, net	46	43	3
Trade receivables, net, linked to funds to be redeemed	1,239	1,099	140
Trade receivables, net, not linked to funds to be redeemed	880	644	236
Other receivables, net	424	283	141
<b>WORKING CAPITAL – ASSETS</b>	<b>2,589</b>	<b>2,069</b>	<b>520</b>
Trade payables	(721)	(669)	(52)
Other payables	(1,463)	(1,439)	(24)
Funds to be redeemed	(5,258)	(4,874)	(384)
<b>WORKING CAPITAL – LIABILITIES</b>	<b>(7,442)</b>	<b>(6,982)</b>	<b>(460)</b>
<b>NEGATIVE WORKING CAPITAL</b>	<b>(4,853)</b>	<b>(4,913)</b>	<b>60</b>
Current tax liabilities	(27)	(11)	(16)
<b>NET NEGATIVE WORKING CAPITAL (incl. corporate income tax liabilities)</b>	<b>(4,880)</b>	<b>(4,924)</b>	<b>44</b>

At December 31, 2021, working capital stood at negative €4,880 million versus negative €4,924 million at December 31, 2020. The difference in working capital (excluding corporate income tax liabilities) is mainly attributable to:

- the deposit made to the French State in relation to payment of the €157 million fine in the antitrust dispute (Note 10.3);
- a €91 million negative currency effect; and
- a negative €6 million impact from other effects on business, offsetting each other between:
  - the impact of the economic recovery resulting in a reduction of funds to be redeemed, as beneficiaries used the vouchers accumulated in 2020, following the lockdowns,
  - the renewal of vouchers in circulation.

<i>(in € millions)</i>	<b>2021</b>	<b>2020</b>
Working capital at beginning of period	(4,913)	(4,062)
Change in working capital <sup>(1)</sup>	145	(1,039)
Acquisitions	(0)	(26)
Disposals/liquidations	1	(1)
Change in impairment of current assets	1	11
Currency translation adjustment	(91)	187
Reclassifications to other balance sheet items	4	17
<b>NET CHANGE IN WORKING CAPITAL</b>	<b>60</b>	<b>(851)</b>
<b>WORKING CAPITAL AT END OF PERIOD</b>	<b>(4,853)</b>	<b>(4,913)</b>

<sup>(1)</sup> See section 1.4 "Consolidated statement of cash flows".

The update to the statistical impairment rates used for Group entities' current assets did not lead to any additional material provisions being recognized as of December 31<sup>st</sup>, 2021.

## 4.7 CHANGE IN RESTRICTED CASH



Restricted cash corresponds notably 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*<sup>®</sup> and *Ticket CESU* solutions. In particular, use of the funds is restricted and they must be clearly segregated from the Group's other cash. The funds remain Edenred's property and are invested in locally regulated interest-bearing financial instruments. Restricted cash also includes funds relating to PPS Direct clients.

Restricted cash corresponds to funds subject to special regulations in the following countries: the United Kingdom (€879 million), France (€813 million), Belgium (€408 million), the United States (€89 million), Romania (€87 million), Brazil (€36 million), Mexico (€32 million), Taiwan (€31 million), Italy (€19 million), the United Arab Emirates (€12 million), Bulgaria (€11 million) and Uruguay (€8 million).



(in € millions)	2021	2020
Restricted cash at beginning of period	2,578	1,864
Change for the period <sup>(1)</sup>	(221)	770
Acquisitions	-	-
Currency translation adjustment	75	(56)
Other changes	(4)	-
<b>Net change in restricted cash</b>	<b>(150)</b>	<b>714</b>
<b>RESTRICTED CASH AT END OF PERIOD</b>	<b>2,428</b>	<b>2,578</b>

<sup>(1)</sup> See section 1.4 "Consolidated statement of cash flows".

## 4.8 TRADE AND OTHER RECEIVABLES AND PAYABLES

### Trade receivables



In accordance with IFRS 9, impairment of trade and other receivables is recognized on the basis of expected losses and no longer on incurred losses. A provision for impairment will therefore need to be recognized as soon as the receivable arises. For receivables with no significant financing component, the Group applies the alternative model, which consists in recognizing a provision equal to the lifetime expected losses on the contract.



(in € millions)

	DEC. 31, 2021	DEC. 31, 2020
Trade receivables, gross	2,214	1,841
Impairment losses	(95)	(98)
<b>TRADE RECEIVABLES, NET</b>	<b>2,119</b>	<b>1,743</b>

## Inventories, other receivables and accruals



### Accounting method used for inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with IAS 2 – Inventories. Cost is determined by the weighted average cost method.



For Edenred, inventories mainly include ProwebCE ticket inventories as well as payment cards and paper for printing vouchers.

(in € millions)

	DEC. 31, 2021	DEC. 31, 2020
Inventories	46	43
Recoverable VAT	147	106
Employee advances and prepaid payroll taxes	4	2
Other prepaid and recoverable taxes	11	11
Prepaid expenses	23	27
Other receivables	240	138
<b>INVENTORIES, OTHER RECEIVABLES AND ACCRUALS, GROSS</b>	<b>471</b>	<b>327</b>
Impairment losses	(1)	(1)
<b>INVENTORIES, OTHER RECEIVABLES AND ACCRUALS, NET</b>	<b>470</b>	<b>326</b>



At December 31, 2021, Other receivables stood at €240 million, versus €138 million at December 31, 2020. This item primarily comprises commissions receivable from partner merchants applicable in some countries (see Note 4.2.2) for €83 million (€71 million at December 31, 2020) and other miscellaneous receivables for €157 million (€67 million at December 31, 2020).

## Other payables and accruals



<i>(in € millions)</i>	<b>DEC. 31, 2021</b>	DEC. 31, 2020
VAT payable	38	36
Wages, salaries and payroll taxes payable	106	87
Other taxes payable (excl. corporate income tax)	10	6
Deferred income	76	47
Other payables	1,233	1,263
<b>Total other payables and accruals</b>	<b>1,463</b>	<b>1,439</b>
Corporate income tax liabilities	27	11
<b>OTHER PAYABLES AND ACCRUALS, NET</b>	<b>1,490</b>	<b>1,450</b>

Other payables primarily comprises volumes to be issued for €40 million (€49 million at December 31, 2020) and other miscellaneous payables for €1,193 million (€1,214 million at December 31, 2020) mainly relating to PPS direct clients.

# NOTE 5 NON-CURRENT ASSETS

## 5.1 GOODWILL



In the year following the acquisition of a consolidated company, fair value adjustments are made to the identifiable assets and liabilities acquired and the acquisition price is allocated. For this purpose, fair values are determined in the new subsidiary's local currency.

### Goodwill

Goodwill, representing the excess of the cost of a business combination over the Group's interest in the net fair value of the identifiable assets and liabilities acquired at the acquisition date, is recognized in assets under "Goodwill". Goodwill mainly results from the expected synergies and other benefits arising from the business combinations that have not been recognized as separated assets in IFRS.

In accordance with IFRS 3 (revised) – Business Combinations, each time it acquires an interest of less than 100% in an entity, the Group must choose whether to measure the non-controlling interest at fair value or as the non-controlling interest's proportionate share of the acquiree's identifiable net assets (with no change possible later in the event of an additional interest being acquired that does not transfer control). If the business is measured at its total fair value including non-controlling interests, goodwill attributable to non-controlling interests is also recognized.

Goodwill arising on investments in associates – corresponding to companies over which the Group exercises significant influence – is included in the carrying amount of the associate concerned.

Goodwill arising on the acquisition of subsidiaries is reported separately.

Goodwill is tested for impairment at least once a year and more frequently if there is any indication that it may be impaired. If the carrying amount of goodwill exceeds its recoverable amount, an irreversible impairment loss is recognized in the income statement.



<i>(in € millions)</i>	<b>DEC. 31, 2021</b>	<b>DEC. 31, 2020</b>
Goodwill, gross	1,676	1,625
Accumulated amortization and impairment losses	(170)	(168)
<b>GOODWILL, NET</b>	<b>1,506</b>	<b>1,457</b>

<i>(in € millions)</i>	<b>DEC. 31, 2021</b>	<b>DEC. 31, 2020</b>
France (mainly Ticket Cadeaux, Proweb CE and Moneo Resto)	160	160
UTA (including Road Account)	169	169
United Kingdom (including Prepay Technologies and TRFC)	151	141
Italy (including Easy Welfare)	92	92
Romania (including Benefit Online)	35	36
Finland	19	19
Slovakia	18	18
Poland (including Timex)	17	17
Sweden	17	18
Czech Republic	13	12
Lithuania (EBV)	12	12
Belgium (including Merits & Benefits and Ekivita)	11	11
Portugal	6	6
Other (individually representing less than €5 million)	1	
<b>Europe (excl. France)</b>	<b>561</b>	<b>551</b>
Brazil (including Repom, Embrattec and Coopercard)	270	268
Mexico	41	39
Other (individually representing less than €5 million)	11	11
<b>Latin America</b>	<b>322</b>	<b>318</b>
United States (including CSI)	426	393
Dubai (including Mint)	28	26
Japan	9	8
Other (individually representing less than €5 million)		1
<b>Rest of the World</b>	<b>463</b>	<b>428</b>
<b>GOODWILL, NET</b>	<b>1,506</b>	<b>1,457</b>





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

<i>(in € millions)</i>	<b>2021</b>	<b>2020</b>
<b>NET GOODWILL AT BEGINNING OF PERIOD</b>	<b>1,457</b>	<b>1,604</b>
<b>Increase in gross goodwill and impact of scope changes</b>		<b>13</b>
Dubai (Mint acquisition)*		(18)
Romania (Benefit Online acquisition)		1
Brazil (Coopercard consolidation)		18
Lithuania (EBV acquisition)		12
<b>Goodwill written off on disposals for the period</b>		<b>-</b>
<b>Impairment losses</b>		<b>(1)</b>
<b>Currency translation adjustment</b>	<b>49</b>	<b>(159)</b>
<b>NET GOODWILL AT END OF PERIOD</b>	<b>1,506</b>	<b>1,457</b>

\* Related to the provisional purchase price allocation for Mint in 2019.

## 5.2 INTANGIBLE ASSETS



Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, in accordance with IAS 38 – Intangible Assets.

Incurred expenses related to internal projects are differentiated based on whether they are incurred during the research phase or the development phase. This differentiation is essential as the financial treatment is different for the two categories.

Expenses incurred during the research phase of an internal project are not capitalized but expensed in the income statement of the period during which they occurred.

Expenses incurred during the development phase of an internal project are analyzed in order to determine whether or not they can be capitalized. If the six criteria defined by IAS 38.57 are simultaneously met, expenses can be capitalized and amortized over the period defined by the category of assets in which they are included. If not, they are expensed in the income statement of the period during which they occurred.

According to IAS 38.57, expenses may only be capitalized if the entity demonstrates the following six items:

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



The main brands are considered intangible assets with indefinite useful lives and are therefore not amortized. Their carrying amount is reviewed at least once a year and more frequently if there is any indication that they may be impaired. If their recoverable amount determined according to the criteria applied at the acquisition date is less than their carrying amount, an impairment loss is recognized.

Other intangible assets (acquired and internally developed software, licenses and customer lists) are considered as having finite useful lives. They are amortized on a straight-line basis over their useful lives, as follows:



- licenses: life of the license;
- customer lists: 3 to 18 years;
- software: 2 to 7 years.

Identifiable intangible assets recognized in a business combination are initially recognized at amounts determined by independent valuations, performed using relevant criteria for the business concerned that can be applied for the subsequent measurement of the assets. Identifiable brands are measured based on multiple criteria, taking into account both brand equity and their contribution to profit. Customer lists are measured based on the cost of acquiring new customers.



<i>(in € millions)</i>	<b>DEC. 31, 2021</b>	DEC. 31, 2020
<b>GROSS CARRYING AMOUNT</b>	<b>1,212</b>	<b>1,126</b>
Brands	65	66
Customer lists	586	570
Licenses and software	397	365
Other intangible assets	164	125
<b>ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES</b>	<b>(535)</b>	<b>(471)</b>
Brands	(11)	(11)
Customer lists	(201)	(162)
Licenses and software	(268)	(248)
Other intangible assets	(55)	(50)
<b>NET CARRYING AMOUNT</b>	<b>677</b>	<b>655</b>

Customer lists acquired in 2021 primarily comprise that of EBV for a total net amount of €1 million. Other intangible assets mainly concern assets in progress as part of technology platform development projects.



#### Changes in the carrying amount of intangible assets

<i>(in € millions)</i>	<b>2021</b>	2020
<b>CARRYING AMOUNT AT BEGINNING OF PERIOD</b>	<b>655</b>	<b>706</b>
Intangible assets of newly consolidated companies	1	18
Internally generated assets	80	63
Additions	24	25
Disposals	(1)	-
Amortization for the period	(88)	(80)
Impairment losses for the period	(8)	(12)
Currency translation adjustment	15	(82)
Reclassifications	(1)	17
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>677</b>	<b>655</b>

## 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.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, using the components method, from the date when they are put in service. The main depreciation periods applied are as follows:



- building improvements, fixtures and fittings: 5 to 15 years;
- equipment and furniture: 4 to 7 years.

Investment properties are depreciated on a straight-line basis over their estimated useful lives, using the components method. The Group's investment properties are located exclusively in Venezuela. Buildings are depreciated over a maximum of 40 years. Other components are depreciated over the same periods as other property, plant and equipment.



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT	GROSS CARRYING AMOUNT	DEPRECIATION AND IMPAIRMENT LOSSES	NET CARRYING AMOUNT
Land	2	-	2	2	-	2
Buildings	19	(8)	11	18	(7)	11
Fixtures and fittings	29	(18)	11	31	(19)	12
Equipment and furniture	104	(83)	21	102	(76)	26
Assets under construction	2	-	2	1	-	1
Right-of-use assets	186	(77)	109	156	(60)	96
<b>Total</b>	<b>342</b>	<b>(186)</b>	<b>156</b>	<b>310</b>	<b>(162)</b>	<b>148</b>



Changes in the carrying amount of property, plant and equipment:

(in € millions)	2021	2020
CARRYING AMOUNT AT BEGINNING OF PERIOD	148	169
Property, plant and equipment of newly consolidated companies	-	2
Additions to property, plant and equipment	10	15
Right-of-use assets	47	37
Disposals and retirements	(2)	(3)
Depreciation for the period	(44)	(45)
Currency translation adjustment	-	(11)
Reclassifications	(3)	(16)
<b>CARRYING AMOUNT AT END OF PERIOD</b>	<b>156</b>	<b>148</b>

## 5.4 INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES



In accordance with IFRS 12 – Disclosure of Interests in Other Entities, an entity must disclose information that enables users of financial statements to evaluate:

- the nature of, and risks associated with, its interests in other entities; and
- the effects of those interests on its financial position, financial performance and cash flows.

As per IAS 28 (revised), exercising significant influence over a company consists in having the power to participate in the financial and operating policy decisions of the company but not control (as in the case of a fully consolidated company) or joint control over those policies.

At December 31, 2021, this item consisted mainly of AGES (AGES Maut System GmbH & Co KG and Ages International GmbH & Co KG), MSC (Mercedes Service Card Beteiligungs GmbH and Mercedes Service Card GmbH & Co KG) and Freto.

### Change in investments in equity-accounted companies:

<i>(in € millions)</i>	<b>2021</b>	2020
Investments in equity-accounted companies at beginning of period	64	69
Additions to investments in equity-accounted companies	4	
Share of net profit from equity-accounted companies	8	13
Capital increase	3	1
Impairment of investments in equity-accounted companies		(3)
Changes in consolidation scope	2	
Dividends received from investments in equity-accounted companies	(14)	(16)
<b>Investments in equity-accounted companies at end of period</b>	<b>67</b>	<b>64</b>

## 5.5 IMPAIRMENT TESTS



### Recoverable amount of assets

In accordance with IAS 36 – Impairment of Assets, the carrying amounts of goodwill, intangible assets, property, plant and equipment, and investment properties are tested for impairment when there is any indication that they may be impaired. Assets with an indefinite useful life – corresponding solely to goodwill and brands – are tested at least once a year.

### Reversal of impairment losses

In accordance with IAS 36 – Impairment of Assets, impairment losses on goodwill are irreversible. Impairment losses on property, plant and equipment and on intangible assets with an indefinite useful life, such as brands, are reversible in the case of a change in estimates used to determine their recoverable amount.

### Cash-generating units

Impairment tests are performed at the level of the cash-generating unit (CGU) or group of CGUs.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. It corresponds to the level at which the Group organizes its businesses and monitors its results for internal management purposes. All assets are allocated to CGUs. When it is not possible to allocate goodwill on a non-arbitrary basis to individual CGUs, it may be allocated to a group of CGUs which may not be greater than an operating segment as defined in Note 4 "Operating Activity".



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.

CGUs are identified by country (see Note 5.1). For the main countries, they are identified by type of solution (Employee Benefits, Fleet & Mobility Solutions and Complementary Solutions) if there are very different activities with separated sales teams and customer portfolios.

## Methods used to determine recoverable amounts

Impairment tests consist in comparing the carrying amount of a CGU with its recoverable amount, defined as the higher of fair value less cost to sell and value in use.

The carrying amount corresponds to the carrying value of capital employed.

For Edenred, it includes:



- goodwill;
- property, plant and equipment and intangible assets;
- working capital excluding float but including current tax liability.

Float corresponds to operating working capital, that is, vouchers in circulation to be redeemed less trade receivables.

Impairment tests are carried out in two steps:

- Step one: the carrying amount of the CGU/group of CGUs is compared to an EBITDA multiple that is considered as being representative of fair value less cost to sell. The Group considers that a difference of more than 20% between the fair value, less cost to sell, and the carrying amount means a potential loss in value.
- Step two: when there is a risk of a loss in value identified using this method or changes in the economic environment of the country or the local business, a test based on the discounted cash flow method is applied in order to determine the potential loss in value compared with the carrying amount.

## The method used is as follows:

Step 1: Fair value less cost to sell	Step 2*: Value in use
<p><b>EBITDA multiple method:</b> This method can be used to measure fair value less cost to sell, and provides the best estimate of the price at which a CGU could be sold on the market on the valuation date. The method consists of calculating the CGU's average EBITDA for the last two years and applying a multiple based on the CGU's geographic location and the specific country risk. The multiples applied correspond to the average of transactions occurring on the market and within a range comparable to the valuation multiples of the Edenred Group. If the recoverable amount is less than the carrying amount, it is recalculated using the discounted cash flow method (Step 2).</p>	<p><b>Discounted cash flow method:</b> The projections used are consistent with the five-year business plans approved by the Board of Directors. In 2021, the rate used to discount cash flows was the Group's after-tax weighted average cost of capital (WACC), broken down by country and by business type. The perpetuity growth rate is aligned with the economic outlook in each of the countries concerned.</p>

\* Used in two situations:

- the first step demonstrates loss of value;
- the CGU or the country is under specific economic circumstances.

The Group identified the CGUs that were likely to be impacted by the epidemic and carried out impairment tests accordingly.

If as a result of this test the recoverable amount is less than the carrying amount, an impairment loss is recognized in an amount corresponding to the value-in-use method. The impairment loss is recorded first as a deduction from the carrying amount of the goodwill allocated to the CGU/group of CGUs, and then as a deduction from the carrying amount of the other assets of the CGU/group of CGUs.



The following CGUs were tested using the value-in-use method in 2021: CSI, Dubai, EBV, Japan, Peru, Prepay Solutions and Ticket Servicos (Brazil), more specifically the Itaú intangible asset acquired in 2019.

The following CGUs were tested using the value-in-use method in 2020: Japan, Colombia, Prepay Solutions, CSI, Sweden, Goodcard, Ticket Servicos (Brazil), more specifically the Itaú intangible asset acquired in 2019, and Peru.

## Impairment losses

Accumulated impairment losses on property, plant and equipment and intangible assets amounted to €199 million in 2021 (versus €198 million in 2020).

Property, plant and equipment and intangible assets of Group CGUs impacted by accumulated impairment losses are detailed as follows:



(in € millions)	DEC. 31, 2021				DEC. 31, 2020			
	Gross carrying amount	Depreciation/amortization	Accumulated impairment losses	Net carrying amount	Gross carrying amount	Depreciation/amortization	Accumulated impairment losses	Net carrying amount
Goodwill	1,676		(170)	1,506	1,625		(168)	1,457
Brands	65	(6)	(5)	54	66	(6)	(5)	55
Customer lists	586	(199)	(2)	385	570	(160)	(2)	408
Other intangible assets	561	(302)	(21)	238	490	(275)	(23)	192
Property, plant and equipment	342	(185)	(1)	156	310	(162)	-	148
<b>TOTAL</b>	<b>3,230</b>	<b>(692)</b>	<b>(199)</b>	<b>2,339</b>	<b>3,061</b>	<b>(603)</b>	<b>(198)</b>	<b>2,260</b>

## Key assumptions



In 2021, the discount rate applied was based on the Group weighted average cost of capital (WACC) and averaged 9.1% (9.0% in 2020).

The table below presents the discount rates and perpetuity growth rates for the CGUs tested in 2021.



	Discount rate		Perpetuity growth rate	
	2021	2020	2021*	2020
Europe (excl. France)	9.5% - 11.0%	7.0% - 12.0%	2.0% - 2.2%	1.8% - 2.0%
Latin America	9.8% - 13.5%	9.8% - 15.8%	2.0% - 3.1%	2.0% - 3.3%
Rest of the World	6.2% - 10.1%	6.2% - 10.1%	1.0% - 2.3%	1.0% - 3.0%

\* Source: IMF inflation forecast for 2026.

## Sensitivity analysis

The quantitative data relating to the rate and growth assumption sensitivity analyses below concern the impacts on entities that were impaired during the year.

Impairment tests are performed by CGU but the results are presented below at the level of aggregations of segments in the interest of concision.

### Discount rate sensitivity

A 50 basis point increase in the discount rates used to measure the 2021 values in use for the above-listed CGUs would not lead to an increase in material impairment losses for the year. A 50 basis point decrease in these discount rates would not result in a reduction in material impairment losses for the year.



## ► Growth assumption sensitivity

A 50 basis point decrease in the growth assumptions used to measure the 2021 values in use for the above-listed CGUs would not lead to an increase in material impairment losses for the year. A 50 basis point increase in these growth assumptions would not result in a reduction in material impairment losses for the year.

## 5.6 DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES



Depreciation, amortization, provision expenses and impairment losses reflect the operating costs of assets owned by Edenred. This item also includes amortization of fair value adjustments to assets acquired in business combinations.

<i>(in € millions)</i>	2021	2020
Amortization of fair value adjustments to assets acquired in business combinations	(36)	(40)
Amortization of intangible assets	(52)	(40)
Depreciation of property, plant and equipment	(14)	(14)
Depreciation of right-of-use assets	(30)	(31)
<b>TOTAL</b>	<b>(132)</b>	<b>(125)</b>

In 2021, amortization of fair value adjustments to assets primarily included €8 million for CSI, €7 million for UTA, €5 million for Itaú, €4 million for Ticket Log, €3 million for TRFC and €1 million for ProwebCE, Easy Welfare and EBV.

# NOTE 6 FINANCIAL ITEMS

## 6.1 NET FINANCIAL EXPENSE



Net financial expense includes:

- interest expense or income on borrowings, other financial liabilities and loans and receivables;
- exchange gains and losses on financial transactions;
- movements on financial provisions.



<i>(in € millions)</i>	2021	2020
Gross borrowing cost	(54)	(56)
Hedging instruments	21	20
Income from cash and cash equivalents and other marketable securities	24	20
<b>Net borrowing cost</b>	<b>(9)</b>	<b>(16)</b>
Net foreign exchange gains (losses)	(1)	-
Other financial income	16	4
Other financial expenses	(25)	(25)
<b>NET FINANCIAL EXPENSE</b>	<b>(19)</b>	<b>(37)</b>

Gross borrowing costs for 2021 include amortization of bond issuance costs for €9 million and interest income on Neu CP issued at negative interest rates.

Interest paid amounted to €24 million in 2021 and €25 million in 2020.

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

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

## 6.2 FINANCIAL ASSETS



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



Financial assets and liabilities are recognized and measured in accordance with IFRS 9 – Financial Instruments.

Financial assets and liabilities are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified among the three main categories defined in IFRS 9, as follows:

- **At amortized cost:** One of the conditions of eligibility of a debt instrument for measurement at amortized cost is that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding ("SPPI instruments"). SPPI instruments include:

- 1) term deposits and loans to non-consolidated companies. These assets are initially recognized at fair value;
- 2) bonds and other marketable securities that are **held to maturity**. Because they are considered as being held to maturity, these assets are initially recognized at fair value.

They are subsequently measured at amortized cost at each balance-sheet date. If there is an objective indication of impairment, an impairment loss is recognized at the reporting date. The impairment loss – corresponding to the difference between the carrying amount and the recoverable amount (i.e., the present value of expected cash flows discounted using the original effective interest rate) – is recognized in the income statement. It is reversible if recoverable value increases in following periods. For these two categories, initial fair value is equivalent to acquisition cost, because no material transaction costs are incurred.

- **At fair value through profit or loss:** Mutual fund units in cash are booked in "**Financial assets at fair value through profit and loss**". These assets are recognized at fair value in the balance sheet and fair value changes are recorded in the income statement.
- **At fair value through other comprehensive income (OCI):** Derivative financial instruments recorded in assets and eligible for hedge accounting are measured at fair value and fair value changes are recorded in other comprehensive income.

## 6.2.1 Non-current financial assets

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



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Equity interests	83	(3)	80	59	(2)	57
Deposits and guarantees	19	-	19	18	-	18
Other non-current financial assets	42	(1)	41	58	(1)	57
<b>NON-CURRENT FINANCIAL ASSETS</b>	<b>144</b>	<b>(4)</b>	<b>140</b>	<b>135</b>	<b>(3)</b>	<b>132</b>

## 6.2.2 Current financial assets



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Other current financial assets	9	(5)	4	5	(3)	2
Derivatives	39	-	39	128	-	128
<b>CURRENT FINANCIAL ASSETS</b>	<b>48</b>	<b>(5)</b>	<b>43</b>	<b>133</b>	<b>(3)</b>	<b>130</b>

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

Derivatives are recognized according to IFRS 9 – Financial Instruments. Their accounting treatment is detailed in Note 6.6 “Financial instruments and market risk management”.

## 6.3 CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES



### Cash and cash equivalents

“Cash and cash equivalents” include bank balances and short-term investments in money market instruments. To be classified in cash and cash equivalents, investments have to respect IAS 7 criteria. These instruments mainly correspond to bank term deposits and risk-free interest-bearing demand deposits. They have initial maturities of three months or less, are readily convertible into known amounts of cash, and are subject to an insignificant risk of changes in value.

### Other marketable securities

Instruments that have initial maturities of more than three months and less than one year are reported under “Other marketable securities”. These instruments are highly liquid and are subject to an insignificant risk of changes in value due to interest rate and foreign exchange rate changes. However, they are no longer classified as cash and cash equivalents in line with IAS 7. This line item also includes restricted cash, corresponding to cash and cash equivalents subject to restrictions due to regulations that are specific to a country (such as exchange rate control). Instruments with initial maturities of more than one year may also be reported under this caption if they can be sold or canceled at any time with incurring material penalties.

### Accounting method

“Cash and cash equivalents” and “Other marketable securities” are financial assets recognized according to IFRS 9 – Financial Instruments and its amendments.



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



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Gross carrying amount	Impairment losses	Net carrying amount	Gross carrying amount	Impairment losses	Net carrying amount
Cash at bank and on hand	937	-	937	628	-	628
Term deposits and equivalent – less than 3 months	503	-	503	471	-	471
Bonds and other negotiable debt securities	18	-	18	-	-	-
Mutual fund units in cash – less than 3 months	36	-	36	26	-	26
<b>CASH AND CASH EQUIVALENTS</b>	<b>1,494</b>	<b>-</b>	<b>1,494</b>	<b>1,125</b>	<b>-</b>	<b>1,125</b>
Term deposits and equivalent – more than 3 months	853	(1)	852	765	(1)	764
Bonds and other negotiable debt securities	332	-	332	256	-	256
Mutual fund units in cash – more than 3 months	1	-	1	1	-	1
<b>OTHER MARKETABLE SECURITIES</b>	<b>1,186</b>	<b>(1)</b>	<b>1,185</b>	<b>1,022</b>	<b>(1)</b>	<b>1,021</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AND OTHER MARKETABLE SECURITIES</b>	<b>2,680</b>	<b>(1)</b>	<b>2,679</b>	<b>2,147</b>	<b>(1)</b>	<b>2,146</b>

## 6.4 DEBT AND OTHER FINANCIAL LIABILITIES



### Debt

Non-bank debt (bonds, private placements such as Schuldschein instruments, etc.) and bank borrowings set up as interest-bearing lines of credit and bank overdrafts are recognized for the amounts received, net of direct issuing costs.

Debt is measured at amortized cost at inception and at fair value for the share of any hedged underlying debt. Amortized cost is determined by the effective interest rate method, taking into account the costs of the issuance and any issuance or redemption premiums.



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Convertible bonds	884	-	884	500	-	500
Non-bank debt	2,134	228	2,362	2,414	113	2,527
Bank borrowings	5	19	24	14	44	58
Neu CP	-	-	-	-	-	-
Bank overdrafts	-	101	101	-	109	109
<b>DEBT</b>	<b>3,023</b>	<b>348</b>	<b>3,371</b>	<b>2,928</b>	<b>266</b>	<b>3,194</b>
Lease liabilities	86	28	114	74	28	102
Deposits and guarantees	22	4	26	19	5	24
Put options over non-controlling interests	9	1	10	6	60	66
Derivatives	-	10	10	-	2	2
Other	3	4	7	-	3	3
<b>OTHER FINANCIAL LIABILITIES</b>	<b>120</b>	<b>47</b>	<b>167</b>	<b>99</b>	<b>98</b>	<b>197</b>
<b>DEBT AND OTHER FINANCIAL LIABILITIES</b>	<b>3,143</b>	<b>395</b>	<b>3,538</b>	<b>3,027</b>	<b>364</b>	<b>3,391</b>

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

## Debt

### Convertible bonds and non-bank debt

On June 9, 2021, Edenred issued sustainability-linked bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) for an aggregate nominal amount of approximately €400 million. The OCEANEs, which do not bear interest, were issued at a price equal to 100.875% of their nominal value, corresponding to a gross yield to maturity of -0.12% and an IFRS yield of +0.54%. They are convertible at a price of €64.79, representing a conversion premium of 37.5%. Bonds that have not been converted, redeemed or retired and canceled will be redeemed at par on June 9, 2028.

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

The OCEANEs comprise a debt component, measured at the inception date using market interest rates applicable to equivalent non-convertible bonds and recognized in non-current debt, and an option component, recognized in equity. At December 31, 2021, the debt component amounted to €384 million.

At December 31, 2021, the Group's gross outstanding bond position amounted to €3,225 million, which breaks down as follows:

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

\* Convertible bonds (OCEANEs).

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

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

\* Convertible bonds (OCEANES).

## Other non-bank debt

In December 2019, a €105 million portion of the €250 million Schuldschein private placement was redeemed ahead of maturity. In June 2021, a further €113 million was redeemed at maturity. There was €32 million outstanding under this loan at December 31, 2021:

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

## Bank borrowings

Outstanding bank borrowings at December 31, 2021 amounted to €24 million.

## Neu CP and Neu MTN programs

At December 31, 2021, current debt outstanding under the Negotiable European Commercial Paper (Neu CP) program stood at €0 million, out of a total authorized amount of €750 million.

The €250 million Negotiable European Medium Term Note (Neu MTN) program had not been used at that date.

## Maturity analysis – carrying amounts

At December 31, 2021



(in € millions)	2022	2023	2024	2025	2026	2027 and beyond	DEC. 31, 2021
Convertible bonds	-	-	500	-	-	384	884
Non-bank debt	228	32	-	488	510	1,104	2,362
Bank borrowings	19	4	1	-	-	-	24
Neu CP	-	-	-	-	-	-	-
BANK OVERDRAFTS	101	-	-	-	-	-	101
<b>DEBT</b>	<b>348</b>	<b>36</b>	<b>501</b>	<b>488</b>	<b>510</b>	<b>1,488</b>	<b>3,371</b>
Lease liabilities	28	22	17	15	12	20	114
Deposits and guarantees	4	22	-	-	-	-	26
Put options over non-controlling interests	1	-	2	-	-	7	10
Derivatives	10	-	-	-	-	-	10
Other	4	3	-	-	-	-	7
<b>OTHER FINANCIAL LIABILITIES</b>	<b>47</b>	<b>47</b>	<b>19</b>	<b>15</b>	<b>12</b>	<b>27</b>	<b>167</b>
<b>TOTAL</b>	<b>395</b>	<b>83</b>	<b>520</b>	<b>503</b>	<b>522</b>	<b>1,515</b>	<b>3,538</b>

At December 31, 2020



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

## Credit facility

At December 31, 2021, Edenred had a €750 million undrawn confirmed line of credit, expiring in February 2026. This facility will be used for general corporate purposes.

In February 2022, the maturity of the €750 million syndicated credit facility was extended by one year beyond its February 12, 2026 expiry date, following Edenred's exercise of the maturity extension option granted in the facility agreement. All participating banks have accepted this extension. With the new five-year maturity, the facility will now be utilizable until February 2027.



## 6.5 NET DEBT AND NET CASH



(in € millions)	DEC. 31, 2021	DEC. 31, 2020
Non-current debt	3,023	2,928
Other non-current financial liabilities	120	99
Current debt	247	157
Other current financial liabilities	47	98
Bank overdrafts	101	109
<b>DEBT AND OTHER FINANCIAL LIABILITIES</b>	<b>3,538</b>	<b>3,391</b>
Current financial assets	(43)	(130)
Other marketable securities	(1,185)	(1,021)
Cash and cash equivalents	(1,494)	(1,125)
<b>CASH AND CASH EQUIVALENTS AND OTHER CURRENT FINANCIAL ASSETS</b>	<b>(2,722)</b>	<b>(2,276)</b>
<b>NET DEBT</b>	<b>816</b>	<b>1,115</b>

Other non-current and current financial liabilities include lease liabilities recognized in application of IFRS 16 in an amount of €114 million.



### At December 31, 2021

	Cash items					Non-cash items						DEC. 31, 2021
	DEC. 31, 2020	Increase	Decrease	Change	Exercise of put options over non-controlling interests	New right-of use assets and early terminations	Changes in consolidation scope	Impact of OCEANE bonds	Fair value adjustments to financial instruments	Reclassifications	Currency translation adjustment	
Non-current debt	2,928	410	-	-	-	-	-	(18)	-	(297)	-	3,023
Other non-current financial liabilities	99	6	-	-	-	38	1	-	-	(24)	-	120
<b>TOTAL NON-CURRENT FINANCIAL LIABILITIES</b>	<b>3,027</b>	<b>416</b>	-	-	-	<b>38</b>	<b>1</b>	<b>(18)</b>	-	<b>(321)</b>	-	<b>3,143</b>
Current debt (including bank overdrafts)	266	-	-	(156)	-	-	(1)	-	-	237	2	348
Other current financial liabilities	98	-	-	(37)	(46)	5	(1)	-	2	27	(1)	47
<b>Total current financial liabilities</b>	<b>364</b>	-	-	<b>(193)</b>	<b>(46)</b>	<b>5</b>	<b>(2)</b>	-	<b>2</b>	<b>264</b>	<b>1</b>	<b>395</b>
Current financial assets	(2,276)	-	-	(542)	-	-	2	-	34	57	3	(2,722)
<b>TOTAL CURRENT FINANCIAL LIABILITIES (ASSETS)</b>	<b>(1,912)</b>	-	-	<b>(735)</b>	<b>(46)</b>	<b>5</b>	-	-	<b>36</b>	<b>321</b>	<b>4</b>	<b>(2,327)</b>
<b>NET DEBT</b>	<b>1,115</b>	<b>416</b>	-	<b>(735)</b>	<b>(46)</b>	<b>43</b>	<b>1</b>	<b>(18)</b>	<b>36</b>	-	<b>4</b>	<b>816</b>



At December 31, 2020

	Cash items					Non-cash items					DEC. 31, 2020
	DEC. 31, 2019	Increase	Decrease	Change	Exercise of put options over non-controlling interests	New right-of use assets	Changes in consolidation scope	Fair value adjustments to financial instruments	Reclassifications	Currency translation adjustment	
Non-current debt	2,421	630	(2)	0	0	-	-	-	(121)	-	2,928
Other non-current financial liabilities	139	3	(4)	-	-	14	2	-	(47)	(8)	99
<b>TOTAL NON-CURRENT FINANCIAL LIABILITIES</b>	<b>2,560</b>	<b>633</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>2</b>	<b>-</b>	<b>(168)</b>	<b>(8)</b>	<b>3,027</b>
Current debt (including bank overdrafts)	426	-	-	(277)	-	-	-	-	122	(5)	266
Other current financial liabilities	177	-	-	(40)	(85)	-	23	(23)	46	-	98
<b>Total current financial liabilities</b>	<b>603</b>	<b>-</b>	<b>-</b>	<b>(317)</b>	<b>(85)</b>	<b>-</b>	<b>23</b>	<b>(23)</b>	<b>168</b>	<b>(5)</b>	<b>364</b>
Current financial assets	(1,873)	-	-	(628)	-	-	31	(5)	-	199	(2,276)
<b>TOTAL CURRENT FINANCIAL LIABILITIES (ASSETS)</b>	<b>(1,270)</b>	<b>-</b>	<b>-</b>	<b>(945)</b>	<b>(85)</b>	<b>-</b>	<b>54</b>	<b>(28)</b>	<b>168</b>	<b>194</b>	<b>(1,912)</b>
<b>NET DEBT</b>	<b>1,290</b>	<b>633</b>	<b>(6)</b>	<b>(945)</b>	<b>(85)</b>	<b>14</b>	<b>56</b>	<b>(28)</b>	<b>-</b>	<b>186</b>	<b>1,115</b>

## 6.6 FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT



The Group uses derivative financial instruments to hedge its exposure to risks arising in the course of its business. Hedged risks are foreign exchange, interest rate and fuel price risk.

In accordance with IFRS 9, derivatives are initially recognized at cost. They are subsequently measured at fair value at each period-end. The intended use of the derivatives determines the IFRS designation and therefore the accounting treatment of changes in fair value.

Most interest rate and foreign currency derivatives used by Edenred meet the criteria to qualify as hedging instruments. In accordance with IAS 39, hedge accounting is applicable if, and only if:

- at the time of setting up the hedge, there is a formal designation and documentation of the hedging relationship;
- the effectiveness of the hedging relationship can be demonstrated from the outset and at each balance sheet date, prospectively and retrospectively.

### Financial instruments designated as hedging instruments

When derivatives are designated as hedging instruments, their accounting treatment varies depending on whether they are designated as:

- a fair value hedge of an asset or a liability or of an unrecognized firm commitment; or
- a cash-flow hedge.

#### Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a financial liability or an unrecognized firm commitment.

The gain or loss from the change in fair value of the hedging instrument is recognized in profit or loss on a symmetrical basis with the gain or loss from the change in fair value of the hedged item. These two remeasurements offset each other within the same

#### Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in future cash flows associated with an existing asset or liability, or a highly probable forecast transaction.

The effective portion of the gain or loss from remeasurement at fair value of the hedging instrument is recognized in equity and the ineffective portion is recognized in the income statement for the period.

line items in the income statement, except for the ineffective portion of the hedge.

Cumulative gains or losses in equity are reclassified to the income statement in the period when the hedged item affects profit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss carried in equity at the time remains in equity and is recognized in the income statement when the forecast transaction is ultimately recognized in the income statement.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss carried in equity is immediately transferred to the income statement.

### Other derivatives

Derivatives not designated as hedging instruments are classified as "Financial assets at fair value through profit and loss". Any changes in their fair value are booked in financial income or expense.

## Interest rate risk: fixed/variable interest rate analysis

- ▶ Hedging impact
  - Before hedging

Debt before interest rate hedging breaks down as follows:



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt <sup>(1)</sup>	3,270	1.4%	100%	2,985	1.5%	97%
Variable-rate debt	-	0.0%	0%	100	1.7%	3%
<b>DEBT*</b>	<b>3,270</b>	<b>1.4%</b>	<b>100%</b>	<b>3,085</b>	<b>1.5%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

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

- After hedging

Debt after interest rate hedging breaks down as follows:



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
Fixed-rate debt	1,254	0.6%	38%	924	0.6%	30%
Variable-rate debt	2,016	0.8%	62%	2,161	0.8%	70%
<b>DEBT*</b>	<b>3,270</b>	<b>0.7%</b>	<b>100%</b>	<b>3,085</b>	<b>0.8%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

## ▮ Hedging of interest rate risk

Interest rate risk on fixed rate debt and variable rate financial assets is hedged using swaps where the Group receives a fixed rate and pays a variable rate, and swaps where the Group receives a variable rate and pays a fixed rate:

- swaps to hedge debt in euros: notional amount of €2,107 million relating to an underlying debt of €2,357 million and for a fair value of €32 million representing a financial asset;
- swaps to hedge marketable securities in Brazilian reals: notional amount of €235 million relating to an underlying debt of 1,485 million Brazilian reals and for a fair value of negative €2 million representing a financial liability;
- swaps to hedge marketable securities in Mexican pesos: notional amount of €108 million relating to an underlying debt of 2,500 million pesos and for a fair value of negative €1 million representing a financial liability.

Under IFRS 9, swaps on debt are designated as hedging instruments in fair value hedges and swaps on marketable securities are designated as hedging instruments in cash flow hedges. These hedging operations have no material impact on the income statement as the efficiency ratio is almost 100%.

(in € millions)	Notional amount	Fair value	2022	2023	2024	2025	2026	2027 and beyond
BRL: fixed-rate receiver swaps <sup>(1)</sup>	235	(2)	58	55	58	32		32
EUR: fixed-rate payer swaps	50	-	50	-	-	-	-	-
EUR: variable-rate payer swaps	2,057	32	225	32	-	500	500	800
MXN: fixed-rate receiver swaps <sup>(2)</sup>	108	(1)	-	22	22	42	22	
<b>TOTAL</b>	<b>2,450</b>	<b>29</b>	<b>333</b>	<b>109</b>	<b>80</b>	<b>574</b>	<b>522</b>	<b>832</b>

(1) BRL 1,485 million (€235 million) in swaps to hedge marketable securities of the Ticket Serviços SA, Repom and Ticket Log entities.

(2) MXN 2,500 million (€108 million) in swaps to hedge marketable securities of the Edenred Mexico entity.

## Interest rate risk sensitivity

Edenred is exposed to the risk of fluctuations in interest rates, given:



- the cash flows related to variable-rate debt, after hedge accounting; and
- derivative financial instruments eligible for cash flow hedge accounting for the ineffective portion of the hedging relationships.

The analysis below has been prepared assuming that the amount of the debt and the notional amounts of derivative instruments at December 31, 2021 remain constant over one year.

A 100 basis point change in interest rates (mainly the 3-month Euribor) would have the following impacts on equity and profit (before tax) at year-end:

(in € millions)	Profit		Equity	
	100 bp decrease in rates	100 bp increase in rates	100 bp decrease in rates	100 bp increase in rates
Debt at variable rate after hedge accounting	15	(15)	-	-
Derivatives eligible for cash flow hedge accounting	-	-	-	-
<b>TOTAL</b>	<b>15</b>	<b>(15)</b>	<b>-</b>	<b>-</b>

## Foreign exchange risk: currency analysis

### Hedging impact

- Before hedging

Debt before currency hedging breaks down as follows:



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3,260	1.3%	100%	3,048	1.4%	99%
Other currencies	10	6.7%	0%	37	3.2%	1%
<b>DEBT*</b>	<b>3,270</b>	<b>1.4%</b>	<b>100%</b>	<b>3,085</b>	<b>1.5%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

- After hedging

Debt after currency hedging breaks down as follows:



(in € millions)	DEC. 31, 2021			DEC. 31, 2020		
	Amount	Interest rate	% of total debt	Amount	Interest rate	% of total debt
EUR	3,227	0.7%	99%	3,017	0.7%	98%
Other currencies	43	2.6%	1%	68	2.3%	2%
<b>DEBT*</b>	<b>3,270</b>	<b>0.7%</b>	<b>100%</b>	<b>3,085</b>	<b>0.8%</b>	<b>100%</b>

\* Debt excluding bank overdrafts.

## ► Currency hedges



For each currency, the “notional amount” corresponds to the amount of currency sold or purchased forward. Fair value is the difference between the amount converted at the period-end forward rate (which is different from the contract-date forward rate) and at the spot rate on the hedge's inception date.

With the exception of forward sales of Brazilian reals and Mexican pesos, all currency transactions carried out by the Group, as listed below, are hedging transactions. They consist of designated hedges of intra-group loans and borrowings in foreign currencies and correspond to documented fair value hedging relationships.

At December 31, 2021, currency derivatives had an aggregate positive fair value of €0 million.

This figure breaks down as follows:



(in € millions)	Notional amount	Fair value	2022	2023	2024	2025	2026	2027 and beyond
GBP	3	-	3	-	-	-	-	-
MXN	1	-	1	-	-	-	-	-
FORWARD PURCHASES AND CURRENCY SWAPS	<b>4</b>	-	<b>4</b>	-	-	-	-	-
AED	32	-	32	-	-	-	-	-
FORWARD SALES AND CURRENCY SWAPS	<b>32</b>	-	<b>32</b>	-	-	-	-	-
<b>TOTAL</b>	<b>36</b>	-	<b>36</b>	-	-	-	-	-

## ► Sensitivity to exchange rates

A change of +10% in currency exchange rates of the major currencies would have the following impact on EBIT: Brazil (BRL) negative €13 million, United Kingdom (GBP) negative €3 million and Mexico (MXN) negative €3 million.

A change of -10% in currency exchange rates of the major currencies would have the following impact on EBIT: Brazil (BRL) positive €13 million, United Kingdom (GBP) positive €3 million and Mexico (MXN) positive €3 million.

## Liquidity risk



The tables below show the repayment schedule of debt, interest included.

Future cash flows relating to interest rates are calculated using market interest rates at December 31, 2021. Variable rates are estimated by reference to forecast rates and fixed rates are known in advance. Future cash flows represented by debt repayments are estimated based on the assumption that the facilities will not be rolled over at maturity.

### ► At December 31, 2021



<i>(in € millions)</i>	<b>DEC. 31, 2021 carrying amount</b>	<b>Contractual flows</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027 and beyond</b>
Convertible bonds	884	884	-	-	500	-	-	384
Bonds	2,330	2,330	228	-	-	488	510	1,104
Schuldschein	32	32	-	32	-	-	-	-
Neu CP	-	-	-	-	-	-	-	-
Bank borrowings	24	24	19	4	1	-	-	-
Future interest	N/A	187	39	35	36	30	21	26
Bank overdrafts	101	101	101	-	-	-	-	-
<b>DEBT</b>	<b>3,371</b>	<b>3,558</b>	<b>387</b>	<b>71</b>	<b>537</b>	<b>518</b>	<b>531</b>	<b>1,514</b>
Other financial liabilities	167	167	47	47	19	15	12	27
Future interest	N/A	(30)	(17)	(9)	(4)	(3)	(1)	4
<b>OTHER FINANCIAL LIABILITIES</b>	<b>167</b>	<b>137</b>	<b>30</b>	<b>38</b>	<b>15</b>	<b>12</b>	<b>11</b>	<b>31</b>
<b>DEBT AND OTHER FINANCIAL LIABILITIES</b>	<b>3,538</b>	<b>3,695</b>	<b>417</b>	<b>109</b>	<b>552</b>	<b>530</b>	<b>542</b>	<b>1,545</b>

At December 31, 2020



(in € millions)	DEC. 31, 2020 carrying amount	Contractual flows	2021	2022	2023	2024	2025	2026 and beyond
Convertible bonds	500	500	-	-	-	500	-	-
Bonds	2,382	2,382	-	233	-	-	492	1,657
Schuldschein	145	145	113	-	32	-	-	-
Neu CP	-	-	-	-	-	-	-	-
Bank borrowings	58	58	44	9	4	1	-	-
Future interest	N/A	216	42	37	34	34	28	41
Bank overdrafts	109	109	109	-	-	-	-	-
<b>DEBT</b>	<b>3,194</b>	<b>3,410</b>	<b>308</b>	<b>279</b>	<b>70</b>	<b>535</b>	<b>520</b>	<b>1,698</b>
Other financial liabilities	197	197	98	43	18	11	8	19
Future interest	N/A	(87)	(21)	(18)	(16)	(15)	(11)	(6)
<b>OTHER FINANCIAL LIABILITIES</b>	<b>197</b>	<b>110</b>	<b>77</b>	<b>25</b>	<b>2</b>	<b>(4)</b>	<b>(3)</b>	<b>13</b>
<b>DEBT AND OTHER FINANCIAL LIABILITIES</b>	<b>3,391</b>	<b>3,520</b>	<b>385</b>	<b>304</b>	<b>72</b>	<b>531</b>	<b>517</b>	<b>1,711</b>

## Commodity risk

The Group had no commodity hedges at December 31, 2021.

## Credit and counterparty risk



In the normal course of business, the Group is exposed to the risk of counterparties being unable to honor their contractual obligations.

For example, the Group is exposed to credit risk in the event of default by its clients and to counterparty risk in respect of its investments of cash and its purchases of derivative instruments.

With several hundreds of thousands of corporate and public authority clients at December 31, 2021, the Group has a highly diversified customer base. Moreover, its clients include all types of entities, ranging from large and medium-sized corporates to national, regional and local public authorities to SMEs.

The Group diversifies its exposure to financial counterparties by investing available cash with a variety of leading financial institutions. About 80% of investments are with institutions rated investment grade.

Its maximum exposure to a single financial counterparty represented less than 20% of the total funds invested at the closing date.



## Financial instruments and fair value analysis of financial assets and liabilities



The fair value hierarchy comprises the following levels:

- **Level 1:** fair value assessed by reference to prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** fair value assessed by reference to quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3:** fair value assessed by reference to inputs related to the asset or liability that are not based on market data (unobservable inputs).

### Market value of financial instruments



(in € millions)	Fair value	Dec. 31, 2021 carrying amount	Amortized cost	fair value through profit and loss	Fair value through other comprehensive income	Level 1	Level 2	Level 3
<b>ASSETS</b>								
Non-current financial assets	140	140	60	80	-	-	-	80
Restricted cash	2,453	2,428	2,251	-	177	-	177	-
Current financial assets	43	43	4	-	39	-	39	-
Other marketable securities	1,211	1,185	1,184	1	-	1	-	-
Cash and cash equivalents	1,494	1,494	1,458	36	-	36	-	-
<b>TOTAL ASSETS</b>	<b>5,341</b>	<b>5,290</b>	<b>4,957</b>	<b>117</b>	<b>216</b>	<b>37</b>	<b>216</b>	<b>80</b>
<b>LIABILITIES</b>								
Non-current debt	3,131	3,023	2,993	-	30	-	30	-
Other non-current financial liabilities	120	120	120	-	-	-	-	-
Current debt	247	247	245	-	2	-	2	-
Other current financial liabilities	47	47	37	-	10	-	10	-
Bank overdrafts	101	101	101	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>3,646</b>	<b>3,538</b>	<b>3,496</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>	<b>-</b>

## Derivative financial instruments



(in € millions)	IFRS classification	DEC. 31, 2021			DEC. 31, 2020		
		Fair value	Notional amount	Nominal value	Fair value	Notional amount	Nominal value
<b>Derivative financial instruments – asset position</b>							
Interest rate instruments	Cash flow hedge	1	44	-	34	288	-
Interest rate instruments	Fair value hedge	38	1,757	-	91	2,057	-
Currency instruments	Fair value hedge	-	-	36	3	-	140
Currency instruments	Cash flow hedge	-	-	-	-	-	1
Currency instruments	Trading	-	-	-	-	-	8
<b>Derivative financial instruments – liability position</b>							
Interest rate instruments	Cash flow hedge	(4)	349	-	(1)	50	-
Interest rate instruments	Fair value hedge	(6)	300	-	-	-	-
Currency instruments	Fair value hedge	-	-	-	(1)	-	18
Currency instruments	Cash flow hedge	-	-	-	-	-	-
Currency instruments	Trading	-	-	-	-	-	4
Other derivatives	Cash flow hedge	-	-	-	-	-	5
<b>NET DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>29</b>	<b>2,450</b>	<b>36</b>	<b>126</b>	<b>2,395</b>	<b>176</b>



Derivative instruments were measured at December 31, 2021 by applying a credit valuation adjustment (CVA) in accordance with IFRS 13.

The CVA for a given counterparty is determined by calculating the result of: (i) exposure (i.e., the market value of the derivative instruments purchased from the counterparty, if positive), (ii) probability of default, and (iii) loss given default. CVAs at December 31, 2021 were not material.

- Cumulative fair value of financial instruments

Changes in retained earnings related to fair value of financial instruments are detailed in the table below:



(in € millions)	DEC. 31, 2020	New transactions	Change in fair value	Reclassification to P&L	DEC. 31, 2021
Cash flow hedges (after tax)	33	(1)	(26)	-	6
Securities at fair value	4	-	-	-	4
<b>Total</b>	<b>37</b>	<b>(1)</b>	<b>(26)</b>	<b>-</b>	<b>10</b>

# NOTE 7 INCOME TAX – EFFECTIVE TAX RATE

## 7.1 INCOME TAX



Income tax is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized for temporary differences between the carrying amount of assets and liabilities and their tax base using the liability method. This method consists of adjusting deferred taxes at each period-end, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The effects of changes in tax rates (and tax laws) are recognized in the income statement for the period in which the change is adopted.



Edenred has decided that the French tax assessed on the value added by the business (CVAE), which is based on the value added reflected in the individual financial statements, had the characteristics of an income tax, as defined in IAS 12. Therefore, income tax expense also includes the expense related to the CVAE. The CVAE amounted to €2 million in 2021 and to €3 million in 2020.

### Income tax expense and benefit



(in € millions)	2021	2020
Current taxes	(116)	(96)
Withholding tax	(7)	(2)
Provisions for tax risks	-	-
<b>SUB-TOTAL CURRENT TAXES</b>	<b>(123)</b>	<b>(98)</b>
Deferred taxes arising on temporary differences during the period	(28)	(26)
Deferred taxes arising on changes in tax rates or rules	-	-
<b>SUB-TOTAL DEFERRED TAXES</b>	<b>(28)</b>	<b>(26)</b>
<b>TOTAL INCOME TAX EXPENSE</b>	<b>(151)</b>	<b>(124)</b>

## Tax proof



(in € millions)	2021	2020
<b>Net profit</b>	<b>343</b>	<b>266</b>
Income tax	(151)	(124)
<b>Profit before tax</b>	<b>494</b>	<b>390</b>
<b>Standard tax rate in France</b>	<b>28.41%</b>	<b>32.02%</b>
<b>Theoretical income tax expense</b>	<b>(140)</b>	<b>(125)</b>
Differences in foreign tax rates	12	21
Tax impact of share of net profit from equity-accounted companies	3	4
Adjustments for current taxes in respect of prior years	2	-
Adjustments for taxes arising on changes in tax rates	(3)	-
Movements in impairment of deferred tax assets	2	(5)
Other items*	(27)	(19)
<b>TOTAL ADJUSTMENTS TO THEORETICAL INCOME TAX EXPENSE</b>	<b>(11)</b>	<b>1</b>
<b>INCOME TAX EXPENSE</b>	<b>(151)</b>	<b>(124)</b>
<b>EFFECTIVE TAX RATE</b>	<b>30.6%</b>	<b>31.8%</b>

\* Other items include the impact of permanent differences and items taxed on bases other than the Group entities' taxable profit, primarily through withholding tax, France's CVAE tax and Italy's IRAP tax.

## 7.2 DEFERRED TAXES



Deferred taxes are recognized for all temporary differences, except when the difference arises from the initial recognition of non-deductible goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable profit.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, associates and joint ventures except when:

- the Group is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognized for ordinary and evergreen tax loss carry forwards 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 probability of recovery is assessed using a tax plan that indicates the taxable income outlook for the entity, as projected over a period of five years. The assumptions used in the tax plan are consistent with those used in the budgets and medium-term plans prepared by Group entities and approved by executive management.

Deferred taxes are normally recognized in the income statement. However, when the underlying transaction is recognized in equity, the related deferred tax is also recorded in equity. Adjustments to

deferred tax assets acquired in a business combination are recognized in profit or loss without a corresponding adjustment to goodwill.

In accordance with IAS 12, deferred taxes are not discounted.

An entity shall simultaneously offset deferred tax assets and deferred tax liabilities if, and only if:

- Edenred has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

## Details of recognized deferred tax assets and liabilities

At December 31, 2021, unrecognized deferred tax assets on tax loss carryforwards amounted to €18 million, including €5 million for Slovakia, €3 million for China and €2 million for India.

At December 31, 2020, unrecognized deferred tax assets on tax loss carryforwards amounted to €21 million, including €9 million for the Holding & Other segment (primarily Edenred S.E.), €3 million for Slovakia, €3 million for China and €2 million for India.

Deferred tax assets at December 31, 2021 and any changes over the period break down as follows by type:

	DEC. 31, 2020	Profit and loss	Changes in consolidation scope	Other comprehensive income	Currency translation adjustment	Other	DEC. 31, 2021
Property, plant and equipment and intangible assets (including PPAs, goodwill and impairment)	(71)	(22)	-	-	(2)	3	(92)
IAS 19 provisions	4	1	-	-	-	1	6
Other provisions	14	3	-	-	-	-	17
Financial instruments	(26)	(5)	-	13	-	(2)	(20)
Tax loss carryforwards	40	7	(1)	-	1	2	49
Other	(41)	(12)	-	-	-	(6)	(59)
<b>TOTAL</b>	<b>(80)</b>	<b>(28)</b>	<b>(1)</b>	<b>13</b>	<b>(1)</b>	<b>(2)</b>	<b>(99)</b>
Of which deferred tax assets	49						38
Of which deferred tax liabilities	129						137

Tax loss carryforwards break down as follows by maturity:

<i>(in € millions)</i>	<b>DEC. 31, 2021</b>
2022	7
2023	13
2024	2
2025	11
2026 and beyond	52
Indefinite	194
<b>TOTAL</b>	<b>279</b>

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

## NOTE 8 EQUITY



At December 31, 2021, total equity attributable to owners of the parent amounted to a negative €953 million. This negative value is mainly due to the legacy of the financial statements established for Edenred's demerger from the Accor group in July 2010.

In these financial statements, equity represented a negative €1,044 million at December 31, 2010. This is due to the recognition at historical cost of assets contributed or sold to Edenred by Accor through the asset contribution-demerger transaction.

None of the legal restructuring operations, whether consisting of asset contributions or sales by Accor in favor of Edenred, qualify as business combinations under IFRS 3. Whatever the legal method used to create the Edenred Group, the transactions would not have changed Edenred's scope as defined in the consolidated financial statements. Consequently, the contributions were analyzed as an internal restructuring of Edenred without any effect on Edenred's consolidated financial statements, to the extent that all of the contributed entities were already included in the scope of the consolidated financial statements. Similarly, the legal sale transactions between Accor and Edenred did not constitute acquisitions for Edenred, because all of the sold entities were already included in the scope of Edenred's combined financial statements prior to the legal sale transactions. However, in Edenred's financial statements, the sales led to an outflow of cash to the shareholder, Accor, without any benefit being received in return. The cash outflow therefore had to be recognized when it occurred as a distribution of reserves by Edenred, giving rise to a reduction in equity.

### 8.1 EQUITY

#### Issued capital

At December 31, 2021, the Company's capital was made up of 249,588,059 shares with a par value of €2 (two euros) each, all fully paid up.

These 249,588,059 shares are ordinary shares with rights to all distributions of interim and final dividends, reserves or equivalent amounts.

## Change in capital in number of shares



	2021	2020
<b>At January 1</b>	<b>246,583,351</b>	<b>243,204,857</b>
Capital increase linked to dividend payments	3,004,708	3,378,494
Shares issued on conversion of performance share rights	282,008	780,301
Shares issued on exercise of stock options		30,150
Share cancellation	(282,008)	(810,451)
<b>At December 31</b>	<b>249,588,059</b>	<b>246,583,351</b>

## Treasury shares

Edenred shares held by the Group are recorded as a deduction from consolidated equity at cost. Capital gains/losses on disposal of Edenred shares are recognized directly in equity and do not affect profit for the financial year.



(in number of shares)	2021	2020
<b>Shares at beginning of period</b>	<b>677,837</b>	<b>1,137,643</b>
<b>PURCHASES OF SHARES</b>		
Share buy-back agreements	778,468	686,783
Liquidity contracts	191,779	(33,032)
<b>SALES OF SHARES</b>		
Purchase option exercise, bonus shares and capital allocations	(314,058)	(303,106)
Share cancellation	(282,008)	(810,451)
<b>SHARES AT END OF PERIOD</b>	<b>1,052,018</b>	<b>677,837</b>

Edenred S.E. shares held by the Company are measured at cost and recorded as a deduction from equity under "Treasury shares".

At December 31, 2021, a total of 1,052,018 shares were held in treasury.

At December 31, 2020, the number of shares held in treasury stood at 677,837.

ENTITY TO WHICH THE CUSTODY OF THE LIQUIDITY CONTRACT* HAS BEEN ASSIGNED	PERIOD	2021				2020			
		SOLD		PURCHASED		SOLD		PURCHASED	
		NO.	TOTAL (in € millions)	NO.	TOTAL (in € millions)	NO.	TOTAL (in € millions)	NO.	TOTAL (in € millions)
Kepler	Since Jun. 3, 2019	2,574,146	118	2,765,925	126	2,524,865	105	2,491,833	102

\* In accordance with the code of ethics published by the Association française des marchés financiers (AMAFI) on March 8, 2011 and recognized by the French financial markets authority (Autorité des marchés financiers – AMF) on March 21, 2011.

The funds allocated to the liquidity contract but not invested in Edenred shares represent liquid assets and are classified as cash equivalents and cash equivalents.



## Dividends

### 2021 dividend

At the Edenred General Meeting called to approve the financial statements for the year ended December 31, 2021, shareholders will be asked to approve a dividend of €0.90 per share, representing €0.15 growth compared with 2020, in line with the Group's progressive dividend policy.

Subject to approval by the General Meeting, this dividend will be granted during the first half of 2022. The dividend was not recognized under liabilities in the financial statements for the year ended December 31, 2021 as these financial statements were presented before appropriation of profit.

## 8.2 EARNINGS PER SHARE



### Basic earnings per share

Basic earnings per share are calculated by dividing net profit (attributable to owners of the parent) by the weighted average number of shares outstanding during the year (adjusted to exclude shares held in treasury during the year).

### Diluted earnings per share

Diluted earnings per share are calculated based on the average number of outstanding shares, as adjusted to include the weighted average number of shares that would result from the exercise, during the year, of existing stock options and any other dilutive instruments.

Diluted earnings per share are based on the average number of outstanding shares adjusted to take into account the effect of the potential ordinary shares.



At December 31, 2021, the Company's share capital was made up of 249,588,059 ordinary shares. At December 31, 2021, the number of shares outstanding and the weighted average number of ordinary shares outstanding broke down as follows:

<i>(in shares)</i>	<b>2021</b>	<b>2020</b>
SHARE CAPITAL AT END OF PERIOD	249,588,059	246,583,351
<b>Number of shares outstanding at beginning of period</b>	<b>245,905,514</b>	<b>242,067,214</b>
Number of shares issued for dividend payments	3,004,708	3,378,494
Number of shares issued on conversion of performance share plans	282,008	780,301
Number of shares issued on conversion of stock option plans	-	30,150
Number of shares canceled	(282,008)	(810,451)
<b>Issued shares at period-end excluding treasury shares</b>	<b>3,004,708</b>	<b>3,378,494</b>
Treasury shares not related to the liquidity contract	(182,402)	426,774
Treasury shares under the liquidity contract	(191,779)	33,032
<b>Treasury shares</b>	<b>(374,181)</b>	<b>459,806</b>
NUMBER OF SHARES OUTSTANDING AT END OF PERIOD	248,536,041	245,905,514
Adjustment to calculate weighted average number of issued shares	(1,312,496)	(1,452,310)
Adjustment to calculate weighted average number of treasury shares	506,720	(115,036)
<b>Total weighted average adjustment</b>	<b>(805,776)</b>	<b>(1,567,346)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE YEAR</b>	<b>247,730,265</b>	<b>244,338,168</b>

In addition, 1,477,827 performance shares were granted to employees between 2019 and 2021. Conversion of all of these potential shares would increase the number of shares outstanding to 264,366,950.

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

- from January 1, 2021 to December 31, 2021 for Plans 11, 12 and 13 (€46.28);
- from May 11, 2021 to December 31, 2021 for Plan 14 (€46.21); and
- from October 19, 2021 to December 31, 2021 for Plan 15 (€42.92);

the diluted weighted average number of shares outstanding at December 31, 2021 was 263,031,619.



	<b>2021</b>	2020
<b>Net profit attributable to owners of the parent (in € millions)</b>	<b>313</b>	<b>238</b>
Weighted average number of issued shares (in thousands)	248,275	245,131
Weighted average number of treasury shares (in thousands)	(545)	(793)
<b>Number of shares used to calculate basic earnings per share (in thousands)</b>	<b>247,730</b>	<b>244,338</b>
<b>BASIC EARNINGS PER SHARE (in €)</b>	<b>1.26</b>	<b>0.97</b>
Number of shares resulting from the exercise of stock options (in thousands)	-	-
Number of shares resulting from performance share grants (in thousands)	948	1,070
Convertible bonds (in thousands)	14,354	
<b>Number of shares used to calculate diluted earnings per share (in thousands)</b>	<b>263,032</b>	<b>245,408</b>
<b>DILUTED EARNINGS PER SHARE (in €)</b>	<b>1.19</b>	<b>0.97</b>

## 8.3 NON-CONTROLLING INTERESTS

(in € millions)

<b>DEC. 31, 2019</b>	<b>150</b>
Net profit from non-controlling interests for the year	28
Dividends paid to non-controlling interests	(21)
Changes in consolidation scope	(51)
Capital increase	5
Other	
Currency translation adjustment	(15)
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	
<b>DEC. 31, 2020</b>	<b>96</b>
Net profit from non-controlling interests for the year	30
Dividends paid to non-controlling interests	(36)
Changes in consolidation scope	(7)
Capital increase	2
Other	(1)
Currency translation adjustment	3
Fair value adjustments to financial instruments and assets at fair value through other comprehensive income	(3)
<b>DEC. 31, 2021</b>	<b>84</b>

Changes in consolidation scope in 2020 primarily concerned the acquisition of the remaining 17% interest in UTA and the acquisition of a 60% interest in EBV.

Changes in consolidation scope in 2021 correspond mainly to the exercise of the call option on the remaining 46% of Timex Card and the exercise of the call option on the remaining 19.52% of LCCC (see Note 2 "Acquisitions, development projects and disposals").

# NOTE 9 EMPLOYEE BENEFITS

## 9.1 SHARE-BASED PAYMENTS

### Stock option plans



The fair value of the options is recognized on a straight-line basis over the vesting period for the relevant plan. The cost is included in employee benefit expense, with a corresponding adjustment to equity. When the option is exercised, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to equity.



IFRS 2 – Share-based Payment applies to the stock option plan set up by the Board of Directors on February 27, 2012. This plan does not have any specific vesting conditions except for the requirement for grantees to continue to be employed by the Group at the end of the vesting period.

The fair value of services received as consideration for the stock options is measured by reference to the fair value of the options at the grant date. The fair value of the options is determined using the Black & Scholes option pricing model. The grant date is defined as the date when the plan's terms and conditions are communicated to Group employees: it corresponds to the date on which the Board of Directors approved the plan.



### Performance share plans



IFRS 2 – Share-based Payment applies to the performance share plans set up by the Board of Directors on February 21, 2018, February 27, 2019, March 10, 2020, May 6, 2020, May 11, 2021 and October 19, 2021.

The recognition principles are the same as those applied to stock option plans.

The number of performance shares is reviewed annually based on changes in the probability of the performance objectives being met.

#### ► Main characteristics

Edenred's Board of Directors, at its meetings of February 21, 2018, February 27, 2019, March 10, 2020, May 6, 2020, May 11, 2021 and October 19, 2021, carried out the conditional attribution of performance shares.

The duration of the 2018-to-2021 plans is three years for all beneficiaries.

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

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

Under the three-year Plan 15, the 8,500 shares granted on October 19, 2021 will vest on October 19, 2024 provided that several performance conditions are met.

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

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

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

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

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

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

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

The performance objectives are as follows:

Plan 10		Plan 11		Plan 12	
Plan of February 21, 2018		Plan of February 27, 2019		Plan of March 10, 2020	
685,706 shares		597,220 shares		502,551 shares	
Weight	Conditions	Weight	Conditions	Weight	Conditions
75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in business volume and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in operating EBIT and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in operating EBIT and funds from operations before non-recurring items (FFO)
25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index
The performance objectives were partially met for Plan 10		The performance objectives are still being assessed for Plan 11		The performance objectives are still being assessed for Plan 12	

Plan 13		Plan 14		Plan 15	
Plan of May 6, 2020		Plan of May 11, 2021		Plan of October 19, 2021	
12,013 shares		527,258 shares		8,500 shares	
Weight	Conditions	Weight	Conditions	Weight	Conditions
75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in operating EBIT and funds from operations before non-recurring items (FFO)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in EBITDA and three CSR indicators (diversity, GHG emissions and nutrition)	75% of the shares granted	Two internal performance objectives, linked to like-for-like growth in EBITDA and three CSR indicators (diversity, GHG emissions and nutrition)
25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index	25% of the shares granted	One market performance objective, linked to Edenred's total shareholder return (TSR) compared with the average TSR of the companies in the SBF 120 index
The performance objectives are still being assessed for Plan 13		The performance objectives are still being assessed for Plan 14		The performance objectives are still being assessed for Plan 15	

## ▮ Fair value of performance share plans



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

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

The current fair value of Plan 14 is €40.31 per share, compared with a share price of €45.56 on May 11, 2021, the grant date. The current fair value of Plan 15 is €43.94 per share, compared with a share price of €49.20 on October 19, 2021, the grant date.

The fair value of performance shares is recognized on a straight-line basis over the vesting period in employee benefit expense, with a corresponding adjustment to equity. The total expense recognized in respect of the 2021 plans amounted to €3 million in 2021.



	2018	2019	2020 (Plan 12)	2020 (Plan 13)	2021 (Plan 14)	2021 (Plan 15)
Fair value of benefits for French tax residents	24.26	33.54	37.79	33.66	40.31	43.94
Fair value of benefits for non-residents	24.26	33.54	37.79	33.66	40.31	43.94
Expense recognized* (in € millions)	14	16	12		15	

\* With a corresponding adjustment to equity for the duration of the plan.

## 9.2 PROVISIONS FOR PENSIONS AND OTHER POST-EMPLOYMENT BENEFITS



The Group's obligation is determined by the projected unit credit method based on actuarial assumptions related to future salary levels, retirement age, mortality, staff turnover and discount rates. These assumptions take into account the macroeconomic situation and other specific circumstances in each country where the Group operates.

The fair value of the plan assets intended to hedge retirement obligation and other long-term employee benefits is used in order to evaluate the amount of the liability related to them. Pension and other retirement benefit obligations recognized in the balance sheet correspond to the discounted present value of the defined-benefit obligation less the fair value of plan assets. Any surpluses, corresponding to the excess of the fair value of plan assets over the projected benefit obligation, are recognized only when they represent future economic benefits available for the Group, for instance in the form of refunds from the plan or reductions in future contributions to the plan.

The net defined-benefit obligation is recognized in the balance sheet under "Non-current provisions".

For defined-benefit plans, current and past service costs are recognized in operating expenses.

For post-employment benefits, actuarial gains and losses arising from changes in actuarial assumptions and experience adjustments are recognized immediately in equity.

However, actuarial gains and losses related to current employees' long-term benefits, particularly long-service awards and loyalty bonuses, are recognized immediately in net financial expense.



Group employees receive three kinds of benefits:

- 1) **Short-term benefits:** paid vacation, paid sick leave and profit-shares.
- 2) **Long-term benefits:** long-service awards, long-term disability benefits, loyalty bonuses and seniority bonuses.
- 3) **Post-employment benefits:**
  - a. **Defined-contribution plans:** Obligations under these plans are funded by periodic contributions to external organizations that are responsible for the administrative and financial management of the plans. Contributions to these plans are recognized immediately as an expense. The Group has no liability beyond the payment of contributions. In France, the external organization is responsible for all benefit payments. Examples of defined-contribution plans include the government-sponsored basic pension and supplementary pension (ARRCO/AGIRC) schemes in France and defined-contribution pension schemes in other countries.

Contributions to these plans are recognized in the period to which they relate.
  - b. **Defined-benefit plans (end-of-career compensation, pension funds):** For defined-benefits plans, the Group assesses its obligation in accordance with IAS 19 (revised) – Employee Benefits. These plans are characterized by the employer's obligation toward employees. If they are not entirely pre-funded, a provision must be set aside.

For Edenred, the main post-employment defined-benefit plans concern:

- Defined-benefit pension plans, for which the benefits are calculated as follows:
  - lump-sum payments made to employees on retirement, determined by reference to the employee's years of service and final salary;
  - calculation based on factors defined by the Finance and Human Resources Departments each year;
  - related obligation covered by a provision in the balance sheet.These plans mainly concern:
  - United Kingdom (21.9% of the total projected benefit obligation at end-2021 versus 23.4% at end-2020, after deducting plan assets);
  - France (12.3% of the total projected benefit obligation in 2021 versus 17.3% in 2020);
  - Other (59.3% of the total projected benefit obligation in 2021 versus 52.1% in 2020).
- Length-of-service awards in Italy (6.6% of the obligation at December 31, 2021):
  - lump-sum payments made to employees on retirement, resignation or dismissal, determined by reference to the employee's years of service and final salary;
  - related obligation covered by a provision in the balance sheet.
- The Edenred Group's pension obligations are funded under insured plans or by external funds. Plan assets therefore consist mainly in the classes of assets held in insurers' general portfolios managed according to conservative investment strategies.



## Actuarial assumptions

Actuarial valuations are based on a certain number of long-term factors defined by the Group, which are reviewed each year.



2021	France	United Kingdom	Belgium	Italy	Holding & Other
Rate of future salary increases	2.8%	N/A	2.8%	1.8%	3.0%
Discount rate	0.9%	1.8%	0.9%	0.9%	0.9%
Inflation rate	1.8%	3.2% - 4.6%	1.8%	1.8%	1.8%

2020	France	United Kingdom	Belgium	Italy	Holding & Other
Rate of future salary increases	2.8%	N/A	2.8%	1.8%	3% - 4%
Discount rate	0.5%	1.5%	0.5%	0.5%	0.8% - 1.5%
Inflation rate	1.8%	3.3%	1.8%	1.8%	1.8%

## Funded status of post-employment defined-benefit plans and long-term employee benefits

To improve legibility, Edenred has decided to present only non-zero and/or material aggregates.

At December 31, 2021



(in € millions)	Defined-benefit pension plans	Other defined-benefit plans*	Total
Present value of funded obligation	24	-	24
Fair value of plan assets	(18)	-	(18)
<b>Surplus (deficit)</b>	<b>6</b>	<b>-</b>	<b>6</b>
Present value of unfunded obligation	-	20	20
<b>LIABILITIES RECOGNIZED IN THE BALANCE SHEET</b>	<b>6</b>	<b>20</b>	<b>26</b>

\* Including length-of-service awards and loyalty bonuses.

At December 31, 2020



(in € millions)	Defined-benefit pension plans	Other defined-benefit plans*	Total
Present value of funded obligation	26	-	26
Fair value of plan assets	(18)	-	(18)
<b>Surplus (deficit)</b>	<b>8</b>	<b>-</b>	<b>8</b>
Present value of unfunded obligation	-	19	19
<b>LIABILITIES RECOGNIZED IN THE BALANCE SHEET</b>	<b>8</b>	<b>19</b>	<b>27</b>

\* Including length-of-service awards and loyalty bonuses.

## Change in funded status of post-employment defined-benefit plans by region



(in € millions)	Pension plans							Other benefits	Total 2021	Total 2020
	France	United Kingdom	Belgium	Italy	Other*	Rest of the World	Total			
<b>Projected benefit obligation at beginning of period</b>	<b>4</b>	<b>17</b>	<b>6</b>	<b>1</b>	<b>11</b>	<b>5</b>	<b>44</b>	<b>1</b>	<b>45</b>	<b>50</b>
Service costs	-	-	-	-	1	1	2	-	2	2
Interest costs	-	-	-	-	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-	-
Past service costs (plan amendments)	-	-	-	-	-	-	-	-	-	(5)
Plan curtailments/settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions (disposals)	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	1	(2)	1	(1)	(1)	(2)	-	(2)	(1)
Actuarial (gains) losses	(1)	-	(1)	-	(2)	2	(2)	-	(2)	1
Currency translation adjustment	-	1	-	-	-	-	1	-	1	(2)
Other	-	-	-	-	-	-	-	-	-	-
<b>PROJECTED BENEFIT OBLIGATION AT END OF PERIOD</b>	<b>3</b>	<b>19</b>	<b>3</b>	<b>2</b>	<b>9</b>	<b>7</b>	<b>43</b>	<b>1</b>	<b>44</b>	<b>45</b>

\* The impact on actuarial gains and losses is mainly due to experience adjustments resulting from the change in governance.



(in € millions)	Pension plans							Other benefits	Total 2021	Total 2020
	France	United Kingdom	Belgium	Italy	Other	Rest of the World	Total			
<b>Fair value of plan assets at beginning of period</b>	<b>-</b>	<b>12</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>18</b>
Interest income	-	-	-	-	-	-	-	-	-	-
Employer contributions	-	-	-	-	-	-	-	-	-	-
Employee contributions	-	-	-	-	-	-	-	-	-	-
Benefits paid	-	-	(2)	-	-	-	(2)	-	(2)	-
Settlements	-	-	-	-	-	-	-	-	-	-
Acquisitions (disposals)	-	-	-	-	-	-	-	-	-	-
Actuarial (gains) losses	-	1	-	-	-	-	1	-	1	-
Currency translation adjustment	-	1	-	-	-	-	1	-	1	-
Other	-	-	-	-	-	-	-	-	-	-
<b>FAIR VALUE OF PLAN ASSETS AT END OF PERIOD</b>	<b>-</b>	<b>14</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>18</b>



(in € millions)	France	United Kingdom	Belgium	Italy	Other	Rest of the World	Total	Other benefits	Total 2021	Total 2020
Plan deficit at beginning of period*	5	6	-	2	10	3	26	1	27	31
Provision at end of period	3	5	-	2	9	6	25	1	26	27
<b>PLAN DEFICIT AT END OF PERIOD</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>9</b>	<b>6</b>	<b>25</b>	<b>1</b>	<b>26</b>	<b>27</b>

\* Including length-of-service awards and loyalty bonuses.



(in € millions)	France	United Kingdom	Belgium	Italy	Other	Rest of the World	Total	Other benefits	Total 2021	Total 2020
Service costs	-	-	-	-	1	1	2	-	2	2
Net interest income	-	-	-	-	-	-	-	-	-	-
<b>COST FOR THE PERIOD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>
Actuarial gains and losses recognized in equity	(1)	(1)	(1)	-	(2)	2	(3)	-	(3)	1

## Changes in pension liabilities (including loyalty bonuses) between January 1, 2020 and December 31, 2021



(in € millions)	Amount
<b>Liability at January 1, 2020</b>	<b>31</b>
Additions for the year	2
Reversals of unused amounts	(6)
Used amounts	0
Actuarial gains and losses for the period recognized in equity	1
Effect of changes in consolidation scope	-
Currency translation adjustment	(1)
<b>Liability at December 31, 2020</b>	<b>27</b>
Additions for the year	2
Reversals of unused amounts	-
Used amounts	-
Actuarial gains and losses for the period recognized in equity	(3)
Effect of changes in consolidation scope	-
Currency translation adjustment	0
<b>Liability at December 31, 2021</b>	<b>26</b>

## Actuarial gains and losses arising from changes in assumptions and experience adjustments



<i>(in € millions)</i>	<b>2021</b>	2020
Actuarial (gains) and losses – experience adjustments	(1)	(2)
Actuarial (gains) and losses – changes in demographical assumptions	-	-
Actuarial (gains) and losses – changes in financial assumptions	(2)	3
<b>Actuarial (gains) losses</b>	<b>(3)</b>	<b>1</b>

### Sensitivity analysis

At December 31, 2021, a 0.5 point decrease and a 0.5 point increase in the discount rate would respectively lead to a roughly €4 million increase and a roughly €3 million decrease in the Group's projected benefit obligation.

# NOTE 10 OTHER PROVISIONS AND OBLIGATIONS

## 10.1 OTHER INCOME AND EXPENSES



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

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

Other income and expenses can be analyzed as follows:



<i>(in € millions)</i>	<b>2021</b>	2020
Mov ements in restructuring provisions	(1)	(2)
Restructuring and reorganization costs	(8)	(10)
<b>Restructuring expenses</b>	<b>(9)</b>	<b>(12)</b>
Impairment of property, plant and equipment	(1)	(1)
Impairment of intangible assets	(6)	(13)
<b>Impairment of assets</b>	<b>(7)</b>	<b>(14)</b>
Capital gains and losses	(4)	(4)
Reclassification of currency translation adjustments	0	1
Mov ements in provisions	2	4
Non-recurring gains (losses)	(15)	(16)
<b>Other</b>	<b>(17)</b>	<b>(15)</b>
<b>TOTAL OTHER INCOME AND EXPENSES*</b>	<b>(33)</b>	<b>(41)</b>

\* Net cash costs included under this caption amounted to €28 million in 2021 and €26 million in 2020.

Other income and expenses in 2021 were primarily as follows:

- impairment of assets in China for €2 million and in France for €2 million;
- recognition of a €10 million loss during a platform migration in Mexico and the transfer of the historical balances of client cards;
- restructuring costs for €9 million;
- expenses related to "More Than Ever" fund initiatives for €1 million.

Other income and expenses in 2020 were primarily as follows:

- additional impairment of assets, primarily in France for €4 million and Brazil for €4 million;
- reversal of a provision relating to the ICSID dispute with the Hungarian government for €6 million (Note 10.3 "Claims, litigation and tax risk");
- recognition of a €7 million loss during a platform migration in Mexico and the transfer of the historical balances of client cards;
- goodwill impairment in Brazil for €3 million relating to a non-core asset and in Colombia for €1 million;
- restructuring costs for €12 million;
- expenses related to "More Than Ever" fund initiatives for €5 million.

## 10.2 PROVISIONS



In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal, contractual or implicit) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined based on the best estimate of the expenditure required to settle the obligation.

Provisions for restructuring costs are recorded when the Group has a detailed formal plan for the restructuring and the plan's main features have been announced to those affected by it.



Provisions for losses due to voucher theft are calculated for reported thefts based on a percentage of the stolen vouchers' aggregate face value corresponding to the Group's best estimate of the proportion of those vouchers that will be cashed in.



Movements in non-current provisions between January 1, 2021 and December 31, 2021 can be analyzed as follows:

(in € millions)	DEC. 31, 2020	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	DEC. 31, 2021
- Provisions for pensions and loyalty bonuses	27	(3)	2	(0)	(0)	0	0	26
- Provisions for claims and litigation and other contingencies	6	-	2	0	(1)	0	1	8
<b>TOTAL NON-CURRENT PROVISIONS</b>	<b>33</b>	<b>(3)</b>	<b>4</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>1</b>	<b>34</b>



Movements in current provisions between January 1, 2021 and December 31, 2021 can be analyzed as follows:

(in € millions)	DEC. 31, 2020	Impact on equity	Additions	Used amounts	Reversals of unused amounts	Currency translation adjustment	Reclassifications and changes in scope	DEC. 31, 2021
- Restructuring provisions	8	-	4	(6)	(1)	(0)	(0)	5
- Provisions for claims and litigation and other contingencies	8	-	4	(2)	(1)	0	(0)	9
<b>TOTAL CURRENT PROVISIONS</b>	<b>16</b>	<b>-</b>	<b>8</b>	<b>(8)</b>	<b>(2)</b>	<b>0</b>	<b>(0)</b>	<b>14</b>

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

## 10.3 CLAIMS, LITIGATION AND TAX RISK

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

### Antitrust dispute in France

In 2015, the French company Octoplus and three hospitality unions 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. However, the Antitrust Authority dismissed all allegations made by Octoplus and the three hospitality unions. Edenred submitted its observations to the Antitrust Authority on April 29, 2019. On December 17, 2019, the Antitrust Authority announced that it had decided to fine Edenred €157 million on the grounds of the above two complaints. Edenred received an official request from the French tax authorities to pay the fine. In response, Edenred requested a stay of payment until March 31, 2021 with no impact on the fine, by providing a surety in the same amount. On March 31, 2021, Edenred paid the fine in an amount of €157 million (Note 4.6) and canceled the related surety.

Edenred believes that the Antitrust Authority has misunderstood the competitive situation in the French meal voucher market and the CRT's role in this market. Edenred has therefore appealed. Following the appeal hearing on November 18, 2021, the appeal court is expected to hand down its decision on November 24, 2022. Based on the opinion of its legal advisers, Edenred believes that it has strong arguments to challenge the Antitrust Authority's decision. Therefore, the Company has not set aside a related provision.

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

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

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

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

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

## **Turkish antitrust litigation**

In February 2010, the Turkish antitrust authorities conducted an investigation into Edenred Turkey and Sodexo Turkey to examine the behavior of these two entities on their market between 2007 and 2010. In July 2010, this investigation resulted in a decision to close the case without further action. After examining the application of another market participant seeking the annulment of that decision, the High Court of Justice ruled that the antitrust authorities had to conduct a full investigation of six market participants in Turkey, including Edenred, on the basis of their respective behavior on the service voucher market between 2007 and 2010.

On November 15, 2018, the Turkish antitrust authorities imposed a fine of approximately €1 million on Edenred in its capacity as a shareholder of Netser, the subsidiary set up 17 years ago with Sodexo to offer restaurant operators an efficient, low-cost technical electronic payments solution. Edenred paid the fine in the first half of 2019. The Company appealed the decision before the Ankara Administrative Court on May 31, 2019. The appeal was heard on October 22, 2020 and a decision is expected in the first half of 2022.

## **Czech Republic antitrust dispute**

In 2019, the Czech antitrust authorities conducted an investigation into Edenred Czech Republic, Sodexo and Up to examine the behavior of these entities on their market. This investigation led to a statement of objections being issued along with a fine in an amount estimated by the Czech authorities at €6.1 million in October 2021. The parties to the case have chosen to appeal the Czech antitrust authorities' decision. The antitrust authority is expected to issue its response in the second half of 2022.

The Group believes that its appeal has a strong chance of success, in particular in the second-instance administrative courts. Accordingly, no provision has been recognized in the financial statements.



## Edenred S.E. tax audit

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

Notifications of tax reassessments were received by the Company in December 2018 in respect of 2014, and in July 2019 in respect of 2015 and 2016.

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

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

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

Since September 2021, Edenred S.E. has been the subject of another tax audit covering the period from 2018 to 2020.

The tax authorities put forward a proposed reassessment for the 2018 tax year, which was accepted by the Company's management. The total tax, late interest and penalties amount to €0.6 million.

The audit remains open for the period 2019-2020. The Company has recognized a provision in an amount of €0.6 million in this respect.

## Tax litigation in Brazil

### Municipal tax – Ticket Serviços

In December 2011, the municipality of São Paulo notified the Brazilian company Ticket Serviços of a reassessment of municipal tax (ISS – *Imposto Sobre Serviços*) for the period from April to December 2006, even though the company had already paid this tax to the municipality of Alphaville.

For this period, the principal amount of the reassessment was €1 million, plus €15 million in penalties and interest at December 31, 2021.

In November 2012, the municipality notified the company, on the same basis, of the amounts related to the period from January 2007 to March 2009.

For this second period, the principal amount of the reassessment was €6 million, plus €54 million in penalties and interest at December 31, 2021. The company's motion before the Brazilian courts was denied in the first trial and an appeal was filed.

In addition to the reassessments mentioned above, the company may be required to pay for the government's legal fees and the court fees for a total of €8 million.

The administrative chamber of appeal ruled against the company on September 23, 2014. The company appealed the decision.

On August 11, 2015, the appeal lodged by the company was denied, thereby putting an end to the administrative phase of the dispute.

On November 10, 2015, the company filed a motion with the Court of Justice of the State of São Paulo for cancellation of the reassessments.

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

The motion included a request to defer the payment of the disputed amount, which was granted by a decision handed down on November 12, 2015. The tax authorities appealed this decision, but the appeal was denied. The State of São Paulo appealed to the Supreme Court of Justice.

At the Court's request, the company provided a guarantee issued by Swiss Re.

An expert was appointed as part of the proceedings to observe and examine the facts of the case. The expert's opinion was favorable to the company.

On August 13, 2020, the first-instance judicial courts rejected the company's application. On September 24, 2020, the State of São Paulo lodged an appeal against the cap on the interest due. On April 30, 2021, the company filed a second-instance appeal. Based on the opinion of an expert who has examined the facts, the Company believes that there is a probable chance of a favorable outcome. Therefore, the Company has not set aside a related provision.

## 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 97 million Brazilian reais (€15 million), plus 269 million Brazilian reais (€43 million) in penalties and interest at December 31, 2021.

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 71 million Brazilian reais (€11 million) in penalties and interest at December 31, 2021.

For 2012, the reassessment was 16 million Brazilian reais (€3 million), plus 29 million Brazilian reais (€5 million) in penalties and interest at December 31, 2021.

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 (€56 million), which constitutes an off-balance sheet commitment given by the Group.

On June 21, 2020, the first-instance judicial courts rejected the company's application. The company appealed the decision before the Federal Regional Court on October 19, 2020.

Based on the opinion of its tax advisers, the Company believes that there is a probable chance of a favorable outcome. Therefore, 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 for the period from 2014 to 2016 had been completed. The tax authorities have challenged the brand royalties billed to Edenred Italia by Edenred S.E., 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 S.E. 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.

In April 2021 and July 2021, the authorities issued additional proposed reassessments in respect of the amount of brand royalties billed by Edenred S.E. in 2015 and 2016. The mutual agreement procedure has been extended to these reassessments.

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 under current tax liabilities for this matter, corresponding to the Company's estimate of the reassessment risk, which is viewed as limited.

# NOTE 11 ADDITIONAL INFORMATION

## 11.1 ADDITIONAL INFORMATION ABOUT JOINTLY CONTROLLED ENTITIES

Not applicable.

## 11.2 RELATED PARTIES

For the purpose of applying IAS 24, the Group has identified the following related parties:

- all members of the Executive Committee and of the Board of Directors, and the members of their direct families;
- all companies in which a member of the Executive Committee holds material voting rights;

### Companies accounted for by the equity method

Relations between the parent company and its associates are presented on a dedicated line in the consolidated income statement and statement of financial position.

### Members of the Executive Committee

Transactions with members of the Executive Committee are disclosed in full in Note 11.3.

### Members of the Board of Directors

The members of the Board of Directors receive annual compensation, which is determined by the Board of Directors and approved by the General Meeting. For the 2021 financial year, this compensation amounted to an aggregate €0.7 million. The Chairman and Chief Executive Officer does not receive any compensation for his duties as member of the Board of Directors. His compensation is disclosed in Note 11.3 "Compensation paid to key management staff".

## 11.3 COMPENSATION PAID TO KEY MANAGEMENT STAFF



(in € millions)	2021	2020
Short-term benefits	11	14
Share-based payments	7	6
<b>TOTAL COMPENSATION</b>	<b>18</b>	<b>20</b>

## 11.4 STATUTORY AUDITORS' FEES

The table below shows the total fees billed by the Statutory Auditors that were recognized in the income statement in respect of the two periods presented:



(in € millions)	DELOITTE & ASSOCIÉS				ERNST & YOUNG			
	Amount (excl. tax)		%		Amount (excl. tax)		%	
	2021	2020	2021	2020	2021	2020	2021	2020
	<b>Fees paid to the Statutory Auditors for auditing the financial statements</b>							
- Issuer	(0.4)	(0.4)	14%	20%	(0.4)	(0.4)	18%	20%
- Fully consolidated subsidiaries	(1.3)	(1.4)	46%	70%	(1.5)	(1.4)	68%	70%
<b>SUB-TOTAL</b>	<b>(1.7)</b>	<b>(1.8)</b>	<b>60%</b>	<b>90%</b>	<b>(1.9)</b>	<b>(1.8)</b>	<b>86%</b>	<b>90%</b>
	<b>Fees paid to the Statutory Auditors for other services*</b>							
- Issuer	-	-	0%	0%	-	-	0%	0%
- Fully consolidated subsidiaries	(1.1)	(0.2)	40%	10%	(0.3)	(0.2)	14%	10%
<b>SUB-TOTAL</b>	<b>(1.1)</b>	<b>(0.2)</b>	<b>40%</b>	<b>10%</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>14%</b>	<b>10%</b>
<b>TOTAL</b>	<b>(2.8)</b>	<b>(2.0)</b>	<b>100%</b>	<b>100%</b>	<b>(2.2)</b>	<b>(2.0)</b>	<b>100%</b>	<b>100%</b>

\* In 2021, these fees mainly concerned tax and payroll compliance engagements, as well as buy-side due diligence.

## 11.5 OFF-BALANCE SHEET COMMITMENTS

### Off-balance sheet commitments given

Off-balance sheet commitments amounted to €550 million at December 31, 2021, versus €430 million a year earlier.

At December 31, 2021, off-balance sheet commitments given broke down as follows:



(in € millions)	DEC. 31, 2021				DEC. 31, 2020
	<1 year	>1 year <5 years	>5 years	Total	
Voucher sale guarantees given to the public sector	82	27	45	154	125
Guarantees given to the public sector in Mexico	56	-	-	56	43
Bank bonds issued in Brazil	-	-	44	44	36
Bail bond issued within the framework of tax litigation on municipal tax in Brazil (ISS)	-	-	93	93	77
Bail bond issued within the framework of litigation on tax allowances for goodwill amortization	-	-	58	58	56
Capital commitments given to the Partech VI investment fund	-	4	-	4	7
Intermarché bond as part of the contract with LCCC	30	-	-	30	30
<b>SUB-TOTAL</b>	<b>168</b>	<b>31</b>	<b>240</b>	<b>439</b>	<b>374</b>
Other*	25	12	74	111	56
<b>Total off-balance sheet commitments given</b>	<b>193</b>	<b>43</b>	<b>314</b>	<b>550</b>	<b>430</b>

\* Mainly comprising rental commitments not included in the scope of IFRS 16 and deposits.

To the best of the Group's knowledge and in accordance with generally accepted accounting principles, no commitments given have been omitted from the above list.

### Off-balance sheet commitments received

Off-balance sheet commitments received from third parties at December 31, 2021 amounted to €2 million. They consisted mainly in guarantees received from clients in Brazil in exchange for post-payment facilities granted by Repom for the same amount.

## **NOTE 12 LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2021**

In accordance with regulation 2016-09 of French accounting board Autorité des Normes Comptables Françaises, the list of consolidated companies and details of the main investments in non-consolidated companies are provided below for users of the financial statements. All companies controlled by the Group or over which the Group exercises significant influence are included in the scope of consolidation.

	Country		2021		2020		Change (%)
			Method	Interest held (%)	Method	Interest held (%)	
<b>FRANCE</b>							
Conecs	France		EQ	25.00	EQ	25.00	0.00
Ederred Corporate Payment France	France		FC	100.00	FC	100.00	0.00
Ederred France	France		FC	100.00	FC	100.00	0.00
Ederred Paiement	France		FC	100.00	FC	100.00	0.00
Ticket Fleet Pro SAS	France		FC	100.00	FC	100.00	0.00
Ederred Fuel Card A	France		FC	100.00	FC	100.00	0.00
La Compagnie des Cartes Carburants	France		FC	100.00	FC	80.48	19.52
Proweb CE	France		FC	100.00	FC	100.00	0.00
PW CE Participations	France		NC	0.00	FC	100.00	-100.00
UTA France S.a.r.l	France	(UTA sub-group)	NC	0.00	FC	100.00	-100.00
Ederred Fleet & Mobility SAS	France		FC	100.00	FC	100.00	0.00
Addworking	France		NC	18.10	NC	16.78	1.32
Lucky Carl SAS	France		NC	24.39	NC	22.18	2.21
Zen Chef	France		NC	14.81	NC	13.22	1.59
Andjaro	France		NC	22.73	NC	18.10	4.63
Activifiz	France		NC	9.89	NC	9.89	0.00
CRCESU	France		NC	16.67	NC	16.67	0.00
Fretlink	France		NC	5.50	NC	5.50	0.00
Fuse	France		NC	7.37	NC	7.37	0.00
OONETIC SAS	France		NC	16.42	NC	16.421	0.00
CRT	France		NC	25.00	NC	25.00	0.00
RAISE	France	New in scope	NC	17.00	N/A	N/A	N/A
E-Solutions NC	France		NC	30.00	NC	30.00	0.00
<b>Europe (excl. France)</b>							
EW Innovation	Albania		FC	100.00	FC	100.00	0.00
Ederred Austria GmbH	Austria		FC	100.00	FC	100.00	0.00
UTA Austria GmbH	Austria	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ederred Belgium SA	Belgium		FC	100.00	FC	100.00	0.00
Merits & Benefits	Belgium		NC	0.00	FC	100.00	-100.00
Bkivita	Belgium		NC	0.00	FC	100.00	-100.00
PPS EU	Belgium		FC	70.45	FC	70.45	0.00
Ederred Bulgaria AD	Bulgaria		FC	50.00	FC	50.00	0.00
EBV Bulgaria	Bulgaria	(EBV sub-group)	FC	60.00	FC	60.00	0.00
UTA Bulgaria	Bulgaria	(UTA sub-group)	FC	100.00	FC	100.00	0.00
UTA Czech s.r.o.	Czech Republic	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ederred CZ s.r.o.	Czech Republic		FC	100.00	FC	100.00	0.00
Ederred Production Center	Czech Republic		FC	100.00	FC	100.00	0.00
Nikosax A/S	Denmark	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Timex Card Estonia	Estonia	(UTA sub-group)	FC	100.00	FC	54.00	46.00
Ederred Finland	Finland		FC	100.00	FC	100.00	0.00
Agex Mauf System GmbH & Co KG	Germany	(UTA sub-group)	NC	16.60	NC	16.60	0.00
Agex International GmbH & Co KG	Germany	(UTA sub-group)	NC	16.60	NC	16.60	0.00
Ederred Deutschland GmbH	Germany		FC	100.00	FC	100.00	0.00
Ederred Tankkarten*	Germany		FC	100.00	FC	100.00	0.00
Union Tank Eckstein GmbH & Co. KG	Germany	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Itemion GmbH & Co. KG	Germany	(UTA sub-group)	NC	0.00	FC	100.00	-100.00
UTA GmbH	Germany	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Itemion Verwaltungs GmbH	Germany	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Mercedes Service Card GmbH & Co KG	Germany	(UTA sub-group)	EQ	49.00	EQ	49.00	0.00
Mercedes Service Card Beteiligungs GmbH	Germany	(UTA sub-group)	EQ	49.00	EQ	49.00	0.00
Timex Card	Germany	(UTA sub-group)	FC	100.00	FC	54.00	46.00
Omega2 GMBH	Germany		FC	100.00	FC	100.00	0.00
Belonio GMBH	Germany	New in scope	EQ	25.00	N/A	N/A	N/A
Vouchers Services	Greece		FC	51.00	FC	51.00	0.00
UTA Magyarország Kft.	Hungary	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Nikosax HU	Hungary	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Ederred Magyarország	Hungary		FC	100.00	FC	100.00	0.00
UTA Italia s.r.l.	Italy	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ederred Italia s.r.l.	Italy		FC	100.00	FC	100.00	0.00
Ederred Italia Financiera S.r.l	Italy		FC	100.00	FC	100.00	0.00
Easy Welfare	Italy		FC	100.00	FC	100.00	0.00
Timex Card Lithuania	Lithuania	(UTA sub-group)	FC	100.00	FC	54.00	46.00
UAB Areja	Lithuania	(EBV sub-group)	FC	100.00	FC	100.00	0.00
EBV Lithuania	Lithuania	(EBV sub-group)	FC	60.00	FC	60	0.00
Ederred Luxembourg	Luxembourg		FC	100.00	FC	100.00	0.00
Cube RE SA	Luxembourg		FC	100.00	FC	100.00	0.00
Car-Pay-Diem	Luxembourg		NC	10.00	NC	10.00	0.00
UTA Nederland B.V.	Netherlands	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ederred Nederland	Netherlands		NC	0.00	FC	100.00	-100.00
Nikosax PL	Poland	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Ederred Polska	Poland		FC	100.00	FC	100.00	0.00
EBV Poland	Poland	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Ederred Portugal Lda	Portugal		FC	50.00	FC	50.00	0.00
One Card	Portugal		FC	100.00	FC	86.34	13.66
UTA Romania Services srl	Romania	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ederred Romania srl	Romania		FC	100.00	FC	100.00	0.00
Ederred Digital Technology Center	Romania		FC	100.00	FC	100.00	0.00
Benefit Systems SRL	Romania		FC	100.00	FC	100.00	0.00
Benefit Broker De Pensii Private	Romania		FC	100.00	FC	100.00	0.00
EBV Romania	Romania	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Ederred Slovakia s.r.o	Slovakia		FC	100.00	FC	100.00	0.00
UTA Slovakia s.r.o	Slovakia	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ticket Service s.r.o.	Slovakia		FC	100.00	FC	100.00	0.00
UTA España	Spain	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Nikosax España	Spain	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Ederred España SA	Spain		FC	100.00	FC	100.00	0.00
Izi Card SL	Spain		NC	39.68	NC	39.68	0.00
EBV Spain	Spain	(EBV sub-group)	FC	60.00	FC	60.00	0.00
Ederred Sweden AB	Sweden		FC	100.00	FC	100.00	0.00
Delicard Group AB	Sweden		FC	100.00	FC	100.00	0.00
UTA Tank AG	Switzerland	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Avrios International	Switzerland		NC	7.26	NC	6.41	0.86
Timex Card Ukraine	Ukraine	(UTA sub-group)	FC	100.00	FC	54.00	46.00
UTA Freight UK Ltd	United Kingdom	(UTA sub-group)	FC	100.00	FC	100.00	0.00
Ederred UK Group Ltd	United Kingdom		FC	100.00	FC	100.00	0.00
Ederred Incentives & Motivation Limited	United Kingdom		FC	100.00	FC	100.00	0.00
Ederred Travel Limited	United Kingdom		NC	0.00	FC	100.00	-100.00
Ederred Employee Benefits Limited	United Kingdom		NC	0.00	FC	100.00	-100.00
Prepay Technologies Ltd	United Kingdom		FC	70.45	FC	70.45	0.00
Ederred Corporate Payment UK	United Kingdom		FC	100.00	FC	100.00	0.00
The Right Fuel Card Group	United Kingdom		FC	80.00	FC	80.00	0.00
Diesel 24	United Kingdom		FC	80.00	FC	80.00	0.00
JayLeeEnergy	United Kingdom		FC	80.00	FC	80.00	0.00
Be Fuelcards	United Kingdom		FC	80.00	FC	80.00	0.00
ChildCare Vouchers	United Kingdom		FC	100.00	FC	100.00	0.00
Launchpad	United Kingdom		NC	13.16	NC	13.16	0.00
Global card Payscale UK	United Kingdom		FC	100.00	FC	100.00	0.00
Stoke Talent	United Kingdom	New in scope	NC	0.43	N/A	N/A	N/A



### Latin America

Edenred Argentina	Argentina	FC	100.00	FC	100.00	0.00
Soporte Servicios*	Argentina	FC	100.00	FC	100.00	0.00
Ticket Serviços Brésil	Brazil	FC	89.00	FC	89.00	0.00
Ticketseg - Corretora de seguros S.A.	Brazil	FC	100.00	FC	100.00	0.00
Edenred Brasil Participações*	Brazil	FC	100.00	FC	100.00	0.00
Accentiv Serviços Tecnológica Da Informa	Brazil	FC	65.00	FC	65.00	0.00
Ticket Soluções HDFGT S.A	Brazil	FC	65.00	FC	65.00	0.00
Edenred Brasil Holding Financeira SA*	Brazil	FC	100.00	N/A	N/A	N/A
Ticket Soluções Holding Financeira SA*	Brazil	FC	65.00	N/A	N/A	N/A
B2B Comercio Electronico de Paces	Brazil	FC	50.00	FC	50.00	0.00
Repom SA	Brazil	FC	65.00	FC	65.00	0.00
Topazio Cartoes	Brazil	FC	50.00	FC	50.00	0.00
Ticket Freto	Brazil	EQ	47.00	FC	65.00	-18.00
Levo Log	Brazil	EQ	47.00	FC	65.00	-18.00
Cooper Cards	Brazil	NC	0.00	FC	100.00	-100.00
Edenred Serviços Empresariais	Brazil	FC	100.00	FC	100.00	0.00
Good Card	Brazil	EQ	35.00	EQ	35.00	0.00
Edenred Chile	Chile	FC	74.35	FC	74.35	0.00
Servicios Empresariales de Colombia SA	Colombia	FC	100.00	FC	100.00	0.00
Big Pass S.A.	Colombia	FC	100.00	FC	100.00	0.00
Nectar Holdings	Costa Rica	EQ	30.00	EQ	30.00	0.00
Servicios Y Soluciones Empresariales Ticket	Mexico	FC	100.00	FC	100.00	0.00
Operadora de Programas de Abasto Multipl	Mexico	FC	100.00	FC	100.00	0.00
Edenred Mexico	Mexico	FC	100.00	FC	100.00	0.00
Sinergel S.A. de C.V.	Mexico	FC	100.00	FC	100.00	0.00
Vales y Monederos Electronicos Puntaclave	Mexico	FC	100.00	FC	100.00	0.00
Merchant Services de Mexico S.A. de C.V.	Mexico	FC	100.00	FC	100.00	0.00
Servicios Edenred	Mexico	FC	100.00	FC	100.00	0.00
Fintech Mexico	Mexico	FC	100.00	FC	100.00	0.00
Global Rewards Mexico	Mexico	NC	0.00	FC	100.00	-100.00
Nectar Technologies Mexico	Mexico	FC	75.00	FC	75.00	0.00
Nectar Technology	Nicaragua	FC	75.00	FC	75.00	0.00
Edenred Panama	Panama	NC	0.00	FC	100.00	-100.00
Edenred Peru	Peru	FC	67.00	FC	67.00	0.00
Efectibono	Peru	FC	67.00	FC	67.00	0.00
Westwell Group*	Uruguay	FC	100.00	FC	100.00	0.00
Luncheon Tickets	Uruguay	FC	100.00	FC	100.00	0.00
Promote S.A.	Uruguay	FC	100.00	FC	100.00	0.00
Cestaticket Services C.A.	Venezuela	FC	57.00	FC	57.00	0.00
Inversiones Quattro Venezuela	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Cinq Venezuela	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Huit Venezuela	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Neuf Venezuela	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Dix Venezuela	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Onze 2040	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Douze Venezuela	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Quatorze	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Quinze 1090	Venezuela	FC	100.00	FC	100.00	0.00
Inversiones Seize 30	Venezuela	FC	100.00	FC	100.00	0.00

### Rest of the World

Globalv card Canada	Canada	FC	100.00	FC	100.00	0.00
Beijing Surfgold Technology Ltd	China	FC	100.00	FC	100.00	0.00
Accentiv Shanghai Company	China	FC	100.00	FC	100.00	0.00
Smart Fleet Maintenance Technology	China	EQ	49.00	EQ	49.00	0.00
Edenred Hong-Kong	Hong Kong	FC	100.00	FC	100.00	0.00
Edenred India PVTItd	India	FC	100.00	FC	100.00	0.00
SRI Ganesh Hospitality Services Private Ltd*	India	FC	100.00	FC	100.00	0.00
Surfgold India	India	FC	100.00	FC	100.00	0.00
Edenred Japan	Japan	FC	100.00	FC	100.00	0.00
Edenred Maroc SAS	Morocco	FC	83.67	FC	83.67	0.00
Edenred Singapore PTE Ltd	Singapore	FC	100.00	FC	100.00	0.00
Edenred Fleet & Mobility Singapore*	Singapore	FC	100.00	FC	100.00	0.00
Global Rewards Singapore PTE Ltd	Singapore	FC	100.00	FC	100.00	0.00
Smart Fleet Management Technology	Singapore	EQ	49.00	EQ	49.00	0.00
Edenred PTE Ltd. Taiwan Branch	Taiwan	FC	100.00	FC	100.00	0.00
TR Tunisia	Tunisia	NC	99.97	NC	99.97	0.00
Edenred Kurumsal Cozumler	Turkey	FC	100.00	FC	100.00	0.00
Accentiv Hediye Ve Danismanlik Hizmetleri	Turkey	FC	100.00	FC	100.00	0.00
Edenred Ödeme Hizmetleri	Turkey	FC	100.00	FC	100.00	0.00
C3 Card International Limited	United Arab Emirates	FC	100.00	FC	100.00	0.00
C3 Card DIMFZ	United Arab Emirates	FC	100.00	FC	100.00	0.00
C3 Edenred LLC	United Arab Emirates	FC	49.00	FC	49.00	0.00
Edenred North America inc	United States	FC	100.00	FC	100.00	0.00
Edenred Commuter Benefits Solution	United States	FC	100.00	FC	100.00	0.00
Global Rewards North America	United States	FC	100.00	FC	100.00	0.00
Edenred F&M Americas Holding	United States	FC	100.00	N/A	N/A	N/A
CSI Enterprises Inc	United States	FC	100.00	FC	100.00	0.00
Globalv card LLC	United States	FC	100.00	FC	100.00	0.00
Beamery Inc	United States	NC	5.74	NC	7.34	-1.60
Beekeeper Holding Inc	United States	NC	3.98	NC	4.84	-0.86
Dexx Technologies Inc	United States	NC	5.81	NC	9.82	-4.01
Cintelink LLC	United States	NC	0.00	N/A	N/A	N/A

### Holding & Other

ASM*	France	FC	100.00	FC	100.00	0.00
Gaméo*	France	FC	100.00	FC	100.00	0.00
Landray*	France	FC	100.00	FC	100.00	0.00
Saminvest*	France	FC	100.00	FC	100.00	0.00
GABC*	France	FC	100.00	FC	100.00	0.00
Venininvest Quattro*	France	FC	100.00	FC	100.00	0.00
Venininvest Cinq*	France	FC	100.00	FC	100.00	0.00
Venininvest Huit*	France	FC	100.00	FC	100.00	0.00
Venininvest Neuf*	France	FC	100.00	FC	100.00	0.00
Venininvest Onze*	France	FC	100.00	FC	100.00	0.00
Venininvest Douze*	France	FC	100.00	FC	100.00	0.00
Venininvest Quatorze*	France	FC	100.00	FC	100.00	0.00
Venininvest Quinze*	France	FC	100.00	FC	100.00	0.00
Venininvest Seize*	France	FC	100.00	FC	100.00	0.00

FC: full consolidation method

EQ: equity method

NC: non-consolidated

\* Holding company

# NOTE 13 UPDATE ON ACCOUNTING STANDARDS

## 13.1 STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

- Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract;
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use;
- Amendment to IAS 39 – Financial Instruments: Recognition and Measurement.
- Amendments to IFRS 3 – Reference to the Conceptual Framework;
- Amendment to IFRS 4 – Insurance Contracts;
- Amendment to IFRS 7 – Financial Instruments: Disclosures;
- Amendment to IFRS 9 – Financial Instruments;
- Amendment to IFRS 16 – Leases;
- Amendments to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021.

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

Their application had no material impact on the periods presented.

In addition, in its April 2021 decision, IFRIC clarified what periods of service certain benefits should be allocated to under defined-benefit plans. The impact of this decision is not material for Edenred and has been recognized in equity for 2021.

Lastly, in its March 2021 decision, IFRIC clarified how to account for costs of configuring or customizing a supplier's application software in a Software as a Service (SaaS) arrangement. According to IFRIC, some of these costs should be recognized as an expense and not as an intangible asset. Edenred has begun a review of application software used in an SaaS arrangement for which costs have been recognized as an intangible asset. Given the practical difficulty of identifying the portion of these costs relating to software configuration and customization, the IFRIC decision has not been applied in the consolidated financial statements for the year ended December 31, 2021.

## 13.2 STANDARDS, AMENDMENTS AND INTERPRETATIONS OPTIONAL FOR REPORTING PERIODS BEGINNING ON OR AFTER JANUARY 1, 2021

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

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

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies;
- IFRS 17 – Insurance Contracts;
- Amendments to IFRS 17.

The Edenred Group chose not to early adopt these standards, amendments and interpretations at January 1, 2021.

# NOTE 14 GLOSSARY

## 14.1 BUSINESS VOLUME



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

## 14.2 OPERATING REVENUE



Operating revenue corresponds to revenue from (i) the voucher business managed by Edenred and (ii) value-added services such as incentive programs, human services and event-related services. It corresponds to the amount billed to the corporate client and is recognized on delivery of the solutions.

## 14.3 OTHER REVENUE



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.

Other revenue represents income from operations and is combined with operating revenue to determine total revenue.

## 14.4 EBITDA



This aggregate corresponds to total revenue (operating revenue and other revenue) less operating expenses (excluding depreciation, amortization and impairment). This aggregate is used as the benchmark for determining compensation at the Group level, especially for executives, as it reflects the economic performance of the business.

## 14.5 OPERATING EBIT



This aggregate corresponds to EBIT less other revenue.

## 14.6 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 impairment. It is used as the benchmark for determining compensation at the Group level, especially for executives, 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 recognized in "Operating profit including share of net profit from equity-accounted companies".

## 14.7 CONSOLIDATED STATEMENTS OF CASH FLOWS



The consolidated statement of cash flows is presented on the same basis as the management reporting schedules used internally to manage the business. It shows cash flows from operating, investing and financing activities.

Cash flows from operating activities include:

- funds from operations before other income and expenses (FFO);
- cash received and paid in relation to other income and expenses;
- changes in working capital;
- changes in restricted cash.

Cash flows from investing activities include:

- recurring expenditure to maintain in a good state of repair or to replace operating assets held at January 1 of each year and required for normal operations;
- development expenditure, including the fixed assets and working capital of newly consolidated subsidiaries and additions to fixed assets of existing subsidiaries;
- proceeds from disposals of assets.

Cash flows from financing activities include:

- changes in equity;
- changes in debt and borrowings;
- dividend payments;
- purchases/sales of treasury shares;
- acquisition of non-controlling interests.

## 14.8 LIKE-FOR-LIKE GROWTH



Like-for-like growth corresponds to organic growth, that is, at constant scope of consolidation and exchange rates. 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. Like-for-like data temporarily excludes Venezuela, due to the country's high level of inflation.

The impact of acquisitions is eliminated from the amount reported for the current period and changes in activity are calculated in relation to this adjusted amount for the current period.

The impact of disposals is eliminated from the amount reported for the comparative period and changes in activity are calculated in relation to this adjusted amount for the comparative period.

The changes in activity thus calculated are translated at the exchange rate applicable in the comparative period and divided by the adjusted amount for the comparative period.