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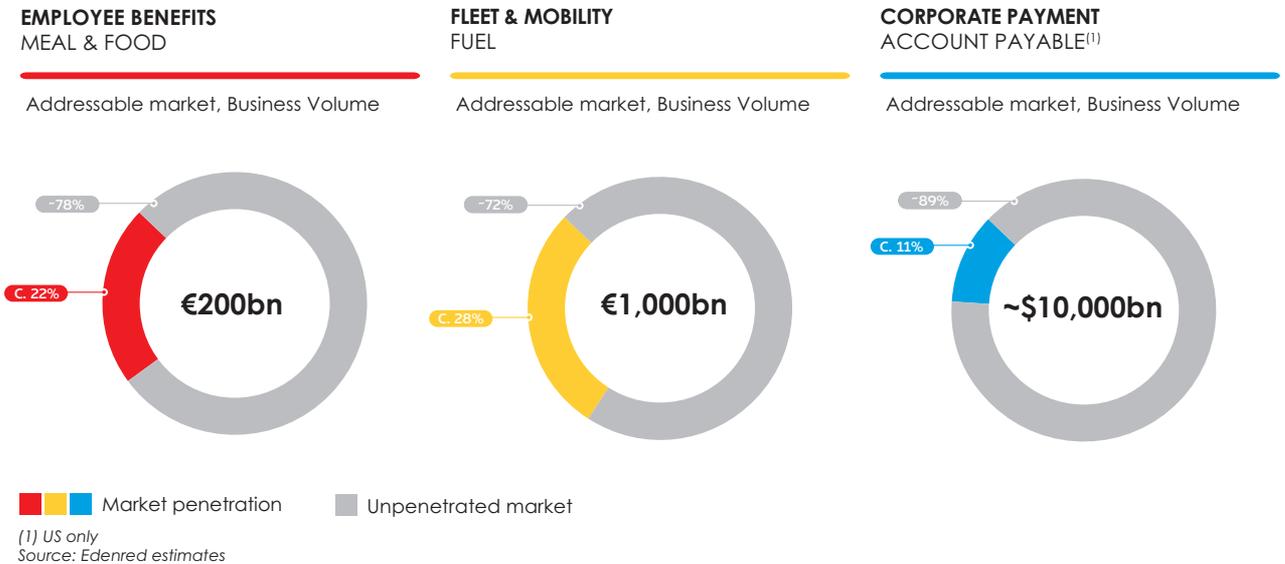
PRESENTATION OF THE GROUP

1.1 A global player operating in promising markets

1.1 A global player operating in promising markets

1.1.1 Positioning in still largely underpenetrated markets

Edenred operates in still largely underpenetrated markets that offer significant growth opportunities, notably as programs and distribution channels go digital.



1.1.2 Favourable trends in the world of work

The underpenetration of the markets in which Edenred operates reflects the changing expectations of those involved in the world of work and society as a whole. It also reflects the digitalization of these markets and distribution channels, which significantly increases the number of companies in its addressable market and reduces the user acquisition cost.

The growth drivers in the **Employee Benefits** market primarily include economic formalization, intensifying urbanization, the emergence of a middle class and the increasing contribution of the services sector to the local economy. Demand is also being led by the rising number of women in the workplace, aging populations in developed countries and overall population growth in emerging economies, as well as aspirations for a better work-life balance.

The **Fleet & Mobility Solutions** market is benefiting both from employee demand for more mobility and from the need for companies to manage business expenses more effectively and improve their traceability, while reducing costs and optimizing the time spent managing them.

Complementary Solutions enable Edenred to offer a comprehensive range of solutions to companies and local authorities, particularly the **Corporate Payment Services** that help companies transfer and receive funds more efficiently and securely. **Incentive & Rewards** solutions respond to companies' growing need to find ways of retaining and motivating their employees. Lastly, **Public Social Program** solutions support governments and local authorities in their efforts to combat informal employment and tighten control over the distribution of assistance, while also increasing the purchasing power of their constituents.

1.1.3 Unique expertise and positioning

Backed by 50 years of expertise, Edenred is positioned at the crossroads of four complementary skills:

- proficiency in digital payment technologies (Fin Tech);
- the ability to offer solutions to filter and control financial flows in accordance with local regulations or with the corporate client's needs (public or private Reg Tech);
- the ability to affiliate networks and carry out the necessary financial intermediation (Financial Intermediation);
- the use of transaction data to develop new services (Data Intermediation).

In particular, this expertise is being supported by the digital capabilities of its issuance, authorization and reimbursement technology platform for payments.

In this way, Edenred has integrated payment expertise into its vast ecosystem, which connects 50 million employee users, 2 million partner merchants and 850,000 corporate clients, with an unrivalled positioning in its three core markets, namely Employee Benefits, Fleet & Mobility Solutions and Complementary Solutions.

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1.1.4 A global player dedicated to the world of work

In 50 years, Edenred has built a solid operating presence in 46 countries on five continents. In most of them, the Group pioneered the **Employee Benefits** market, by initiating the passage of enabling legislation, and now generally holds market leadership. Drawing on its expertise in the management of payment flows in the working world, Edenred has also expanded since the 1990s in the **Fleet & Mobility Solutions** business, where it is currently market leader in Latin America and the second-largest issuer of multi-brand pan-European solutions. More recently, starting in 2016, Edenred leveraged the expertise of its digital technology platform to launch a **Corporate Payment Services** offering, which was broadened in 2019 with the acquisition of Corporate Spending International (CSI), a recognized player in the promising corporate payment market in the United States.

- Fleet & Mobility Solutions (44% of local operating revenue in 2020): *Ticket Log, Repom*;
- Complementary Solutions (4% of local operating revenue in 2020): *Accentiv' Mimetica*.

In 2020, operating revenue totalled €281 million for the year.

Competitive environment

In each host market, Edenred has several competitors that vary between its business lines and may be local, regional or global.

In the Employee Benefits market, Edenred competes in most of its host countries with global players Sodexo and Groupe Up, as well as with regional and local providers such as Alelo in Brazil, Natixis Intertitres and Swile in France, and ePassi in Finland.

In the Fleet & Mobility Solutions market, Edenred's competitors are FleetCor and WEX, two North American companies with operations worldwide, as well as large regional players such as DKV, Eurowag and Radius in Europe, and numerous local operators.

In Complementary Solutions, the Incentive & Rewards market is extremely competitive in all countries, and the fast-growing Corporate Payment Services market is characterized by a multitude of local and regional players, such as Avidxchange and BottomLine in the United States, competing for business alongside multinationals like FleetCor and WEX.

In addition, Edenred actively tracks strategic developments in adjacent markets and the start-up ecosystem, notably thanks to the expertise of its in-house venture capital fund Edenred Capital Partners and to its partnership with venture capital firm Partech International.

Main host countries

In **France**, solutions are offered in several categories:

- Employee Benefits (76% of local operating revenue in 2020): *Ticket Restaurant, Kadéos, Ticket CESU*;
- Fleet & Mobility Solutions (10% of local operating revenue in 2020): *Ticket Clean Way, Ticket Fleet Pro, La Compagnie des Cartes Carburant*;
- Complementary Solutions (14% of local operating revenue in 2020): *Corporate Payment Services, Kadéos, Ticket CESU, Ticket Service*.

In 2020, operating revenue totalled €253 million for the year.

In **Brazil**, Edenred offers a large, diversified range of solutions:

- Employee Benefits (52% of local operating revenue in 2020): *Ticket Restaurante, Ticket Alimentação, Ticket Transporte, Ticket Cultura*;

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PRESENTATION OF THE GROUP

1.1 A global player operating in promising markets

Peer group table

COMPANY	BUSINESS	COUNTRY	CURRENCY
Adyen	Payment systems	Netherlands	Euro (€)
FleetCor	Fuel cards and corporate payment services	United States	Dollar (\$)
MasterCard	Payment systems	United States	Dollar (\$)
Sodexo	Corporate services	France	Euro (€)
Visa	Payment systems	United States	Dollar (\$)
Wex	Fuel cards and corporate payment services	United States	Dollar (\$)
Worldline	Payment systems	France	Euro (€)

1.1.5 An attractive financial profile

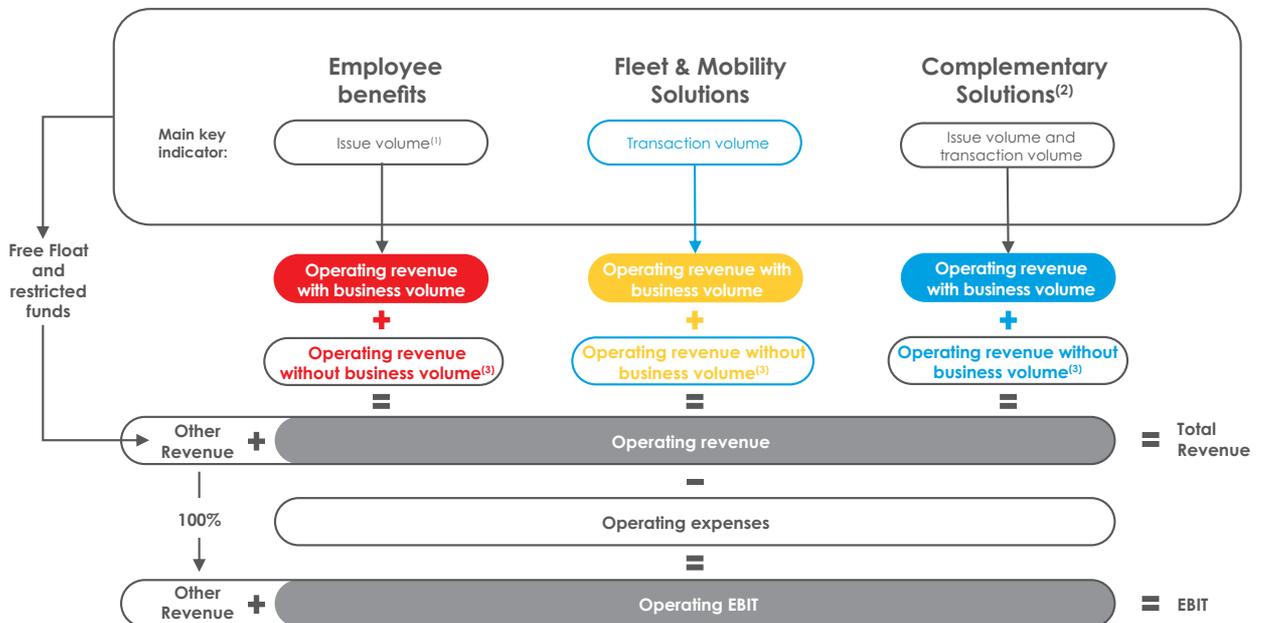
Thanks to Edenred's sustainable and profitable growth profile, the Group's business model can combine the characteristics of a growth company with those of a group that has a solid financial position. Edenred enjoys major operating leverage, low capital intensity and a structurally cash-generative business model thanks to its negative working capital requirement, since a large proportion of Edenred solutions are prepaid.

Edenred's financial model is set out in the diagram below:

- **total revenue**, which came to €1.5 billion in 2020, is made up of operating revenue and other revenue.

The most relevant indicator for measuring the Group's performance is **operating revenue**, part of which relates to the business volume managed by Edenred;

- **EBITDA** corresponds to **total income less operating expenses (excluding depreciation, amortization and provisions)**. It stood at €580 million for 2020;
- **EBIT** corresponds to operating profit before other income and expenses, and includes:
 - operating EBIT, which corresponds to EBIT before other revenue,
 - other revenue.



(1) Some of the Fleet & Mobility Solutions and Complementary Solutions are pre-loaded and also generate issue volume.

(2) Complementary Solutions primarily comprise:

- incentive & Rewards solutions, whose key indicator is generally issue volume;
- public Social Programs, whose key indicator is generally issue volume;
- Corporate Payment Services.

(3) For example, maintenance and installation costs and periodic subscription fees.

Employee Benefits

The **Employee Benefits** business is unique in that it uses **pre-loaded** media that generate **issue volume**, which corresponds to the total amount of pre-loaded funds given to users.

Employee Benefits generate **operating revenue**, mainly through commissions related to issue volume, received from both corporate clients and partner merchants. Operating revenue also includes revenue generated without business volume, such as fees based on user numbers, particularly for employee engagement platforms. In addition, a more marginal source of revenue comes from the gains on lost or expired vouchers.

The time between the loading of the payment instruments by the corporate clients and their reimbursement to the partner merchants gives rise to a **negative working capital requirement** that, less receivables, constitutes the majority of the **float**. Interest earned from investing the float generates **other revenue** (formerly known as financial revenue).

Fleet & Mobility Solutions

In this business line, **operating revenue** generated by these solutions consists of different types of commissions received from corporate clients and partner merchants. These include per-use commissions on fuel cards, whether as a percentage of the transaction amount, as a percentage of the fuel purchase, per litre, or in transaction fees, as well as commissions on non-fuel expenditure (for vehicle maintenance, tolls, car washing, parking fees and VAT reimbursement).

Some Fleet & Mobility Solutions are pre-loaded, so that the investment of the resulting float generates **other revenue**. Moreover, the period from which a client pays until the partner merchant is reimbursed generates a **negative working capital requirement** at the Group level, providing an additional source of financing for Edenred.

Complementary Solutions

Operating revenue from Complementary Solutions is primarily derived from the commissions paid by clients (companies, local authorities and public institutions) and partner merchants, in Incentive & Rewards solutions and Public Social Programs. It also includes the revenue generated from employee users and gains on lost or expired vouchers.

Over the past four years, Edenred has been developing new Corporate Payment Services, which also generate operating revenue both with and without business volume (interchange, monthly subscriptions, commissions per transaction, commissions per amount spent, etc.).

A business model generating strong cash flows

Thanks to a sustainable and profitable growth profile and a structurally negative working capital requirement, Edenred generates significant cash flows.

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PRESENTATION OF THE GROUP

1.2 Strategy and 2021 targets

1.2 Strategy and 2021 targets

1.2.1 Strategy

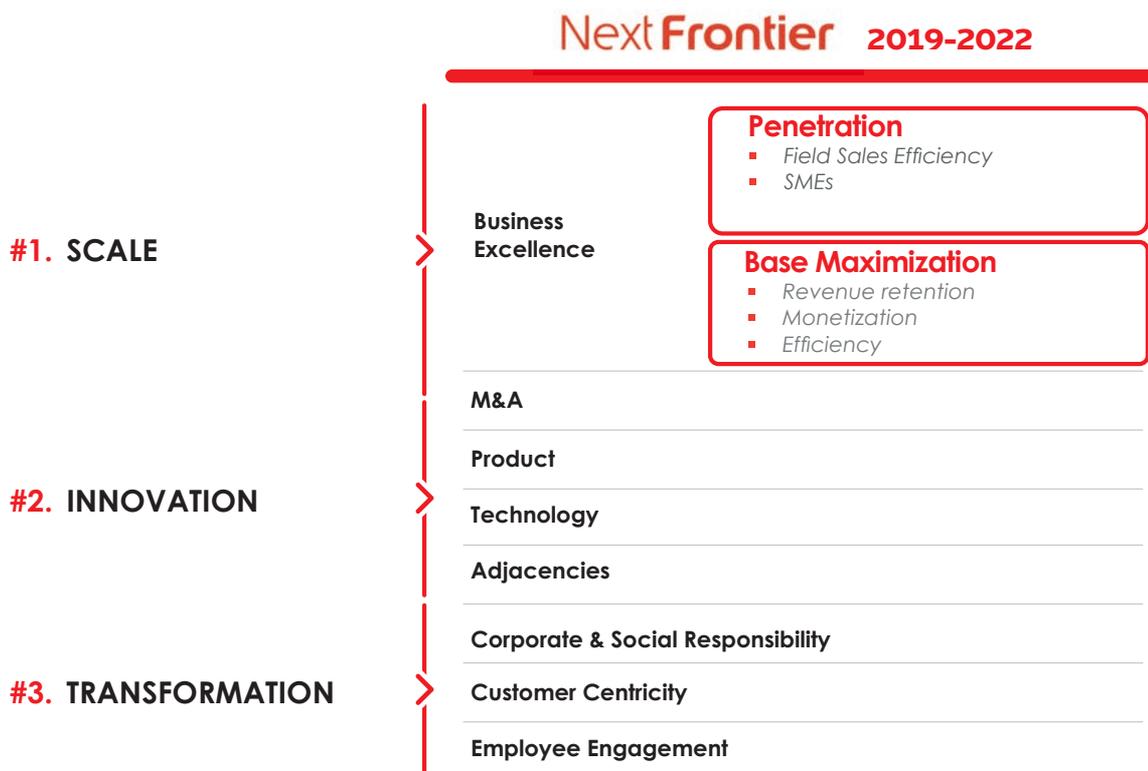
The Next Frontier 2019-2022 strategic plan leverages the unique nature of the Group's platform model, presented in the introduction, to transform Edenred into the everyday companion for people at work. It enables the Group to provide these stakeholders with the full range of services and payment solutions they need to make their working lives easier, all accessible from a single virtual wallet.

The platform model, coupled with the shift to digitalized processes and pooled support services, gives rise to significant scale effects, making it possible both to bring new solutions to market and to

swiftly, extensively and cost-effectively roll out innovation and thereby generate profitable growth.

Despite the current epidemic, Edenred's fundamentals have not wavered, and this strategy has proved effective, more than ever.

Capitalizing on the platform's unique characteristics, Edenred has based its strategic plan, Next Frontier 2019-2022, on several drivers of sustainable and profitable growth.



1.2.1.1 Expanding and strengthening Edenred's presence in existing businesses

Edenred operates in still largely underpenetrated markets (see section 1.1.1) that offer significant growth opportunities, notably as programs and distribution channels go digital. Digitalization remains an important avenue for growth, particularly in the Employee Benefits segment in Europe, where the adoption rate has still not reached its full potential.

Leveraging the methods and tools put in place under the previous strategic plan, Fast Forward, Edenred has developed a systematic approach based on an array of operating drivers, which are primarily designed to further penetrate its markets. Thus equipped, Edenred will now notably continue to implement initiatives targeting the strategic SME market, where penetration is significantly lower than among middle-market and large companies. To capture the potential of its existing base of clients, partner merchants and end users, Edenred intends to develop tools for retention, cross-selling and monetization of value-added services.

1.2.1.2 Innovation as a driver of differentiation and source of additional growth

Attentive to the needs of all stakeholders, Edenred looks ahead to the new consumer behaviour that may emerge from digitalization, placing the user's mobile experience and access to omni-channel consumption of its services (in stores, on mobile devices, online) at the heart of its strategy. Edenred's ability to provide clients with mobile, app-to-app and virtual-card-based payment methods with increasing speed considerably sharpens its competitive edge.

This innovation-led approach requires major investments to improve the Group's global technology assets, guarantee system soundness and security, and increase Edenred's capabilities in new segments such as data science and advanced automation.

These technology assets will form an essential base from which to step up development in adjacent businesses, while driving operational and commercial synergies. The market potential of digital employee engagement platforms, for example, is at least as great as that of food-related Employee Benefits. In Fleet & Mobility Solutions, value-added services will diversify the current business model while also reducing the Group's sensitivity to fuel prices⁽¹⁾. Lastly, Edenred plans to capitalize on its expertise in the most advanced payment technologies and on its sales and marketing prowess to fully capture the potential of the corporate payment market, notably in North America, where it is still underexploited.

1.2.1.3 A strategy of targeted acquisitions to enhance robust organic Group growth

Building on its sound financial position, carefully managed debt and strong cash flow generation, Edenred intends to seize external growth opportunities in line with the strategic ambitions of the "Next Frontier" plan, namely:

- consolidate its position as a world leader in Employee Benefits via targeted acquisitions;
- continue to build its Fleet & Mobility Solutions portfolio via international expansion and a broader range of value-added services to consolidate its position as a global multiservices player;
- grow Corporate Payment Services by targeting new business sectors.

In 2020, Edenred acquired the payroll card portfolio of Mint, the second-largest operator specializing in pay distribution and management for under- or unbanked workers in the United Arab Emirates. Via this deal, Edenred has strengthened its leadership position in the UAE market, where its C3 solution already boasts more than a million users. The Group facilitates the daily lives of nearly 600,000 employees currently holding Mint payroll cards by giving them simple and secure access to the range of value-added services offered via the C3 card and its myC3card mobile application.

Edenred also acquired Cooper Card's client portfolio in Brazil. Founded in 2003, Cooper Card markets food-related employee benefits in the Brazilian state of Paraná. The portfolio represents strong geographic synergies with Edenred's existing client portfolio and has strengthened the Group's position in the employee benefits market in Brazil.

In May 2020, Edenred announced that it now owns 100% of its subsidiary UTA, Europe's second-largest issuer of multi-brand fuel cards and a leading provider of value-added services, such as toll settlement, maintenance and VAT recovery solutions. UTA offers a key advantage in Edenred's development strategy for Fleet & Mobility Solutions in Europe.

1.2.1.4 Sustainable Development policy

Operating strategy is built around an integrated Sustainable Development policy, which is based on the following three groups of commitments, each with a dedicated action plan to ensure proper implementation:

- PEOPLE: improve quality of life;
- PLANET: preserve the environment;
- PROGRESS: create value responsibly.

These three areas and the quantitative targets for each of its medium- and long-term commitments are presented in the three corresponding sections in the Chapter "Non-financial performance statement".

(1) In 2020, a 10% change in oil prices (Brent crude for Europe, WTI crude for Latin America) had an impact of approximately €7 million on the Group's total revenue.

1.2.2 2021 Targets

Edenred is particularly well positioned to seize the opportunities created by a number of promising trends revealed or reinforced by the health crisis, which affect the world of work:

- A more connected, digital and mobile-first world;
- A more remote-working world;
- A world seeking socially and environmentally responsible solutions;
- A world where B2B payments are increasingly automated and digital.

By leveraging these changes and its unique position as an intermediation platform that connects 50 million users with 2 million partner merchants daily to meet their essential needs (Eat, Move, Care, Pay), Edenred has kept its growth potential intact despite the economic impact of the health crisis. With its proven agility, Edenred will continue to activate the business drivers designed to further penetrate its markets, develop new solutions and deploy its innovations widely and rapidly. In addition to these internal development avenues, the Group also intends to pursue its targeted acquisition strategy and has over €1 billion in firepower for this purpose.

This is how Edenred intends to step up the pace and generate sustainable and profitable growth in a post-Covid world.

Early 2021 has nonetheless shown that the uncertainties surrounding the health crisis persist, with new local lockdowns and restrictive

measures in Europe, including in France, Germany and the United Kingdom, and that the economic and health situation remains downbeat in Latin and North America.

Edenred will continue to prove its resilience in the first quarter of the year, despite an unfavourable basis of comparison, and expects to be able to grow more strongly in the second quarter, when it will notably benefit from a more favourable comparison basis.

A gradual return to an economic situation close to normal – thanks notably to a vaccination rate that should enable restrictive measures to be eased considerably by the middle of the year – will support Edenred's growth in the second half.

Despite the uncertain health situation, Edenred intends to achieve like-for-like EBITDA growth in 2021 of minimum 6%.

This objective is based on the assumptions described above, the characteristics of Edenred and the markets on which the Group operates (see section 1.1), and the implementation of its strategy (see section 1.2.1). This objective draws on data, assumptions and estimates that the Group considers reasonable at the date of publication of this document. It was prepared on a basis comparable to the historical financial information and consistent with the accounting policies of the Group.

1.3 2020 highlights and 2021 financial calendar

1.3.1 2020 highlights⁽¹⁾

Health crisis

- Edenred took action to support its teams, its partner merchants, its clients and their employee users through the health crisis arising from the Covid-19 epidemic (Press release dated April 7, 2020).

Corporate Social Responsibility

- Bertrand Dumazy, Chairman and Chief Executive Officer of Edenred, co-signed an op-ed column in Le Monde to share a strong conviction: "Let's put the environment at the heart of the economic recovery". He thus calls for collective mobilization to make economic recovery an accelerator of the ecological transition – along with more than 90 signatories, executive managers of large French and international companies. Created at the instigation of Jean-Laurent Bonnafé, Director and Chief Executive Office of BNP Paribas and President of the EpE (Entreprises for the Environment) association, this op-ed highlight in particular that « the challenge is today to limit the effects of the social and economic consequences of the Covid-19 epidemic, notably by mobilizing financial resources to ensure the capacity of French businesses to rebound in an inclusive and resilient manner». (News dated June 2, 2020)

Edenred ten years

- On July 2, 2010, Edenred was officially born following the demerger of the Accor group's Hospitality and Services businesses and the Group was listed on the Paris stock exchange for the first time : this marked the beginning of a new chapter in a story already decades old. Since then, Edenred has become a services and payments platform, being the everyday companion for people at work, connecting over 50 millions users and 2 millions partner merchants via more than 850,000 corporate clients. On July 2, 2020, Edenred celebrates ten years of a successful digital transformation and commitment led by 10,000 employees who enthusiastically share the Group's values: passion for customers, respect, imagination, simplicity and entrepreneurial spirit. (News dated July 2, 2020)

⁽¹⁾ Press releases are posted on www.edenred.com, here (<https://www.edenred.com/en/investisseurs-actionnaires/information-reglementee/communiqués-de-presse>) and here (<https://www.edenred.com/en/medias-journalistes/actualites-et-communiqués-de-presse>)

Employer brand

- Edenred launched its employer brand and unveiled its global campaign. The campaign was rolled out in the Group's 46 host countries to promote its image as an employer, both internally and externally (News dated March 16, 2020).

Acquisitions

- Edenred strengthened its leadership position in the United Arab Emirates payroll cards market with the acquisition of the payroll card portfolio of Mint, the second-largest operator specializing in pay distribution and management for under- or unbanked workers in the United Arab Emirates (press release dated January 8, 2020).
- Edenred strengthened its position in the Brazilian market with the acquisition of employee benefits operations from Cooper Card (Press release dated May 13, 2020).
- Edenred now owns 100% of UTA, Europe's second-largest issuer of multi-brand fuel cards and a leading provider of value-added services, such as toll settlement, maintenance and VAT recovery solutions (Press release dated May 19, 2020).

Employee Benefits

- Edenred moved into the Spanish food tech market with its innovative mobile ordering service (News dated March 12, 2020).

Fleet & Mobility Solutions

- Edenred, a specialist in payment solutions for the working world and leading player in fleet and mobility solutions, published a white paper on road transport in France (Press release dated March 3, 2020).

Edenred Corporate Payment

- Edenred launched the Edenred Corporate Payment website (News dated February 25, 2020).
- Edenred Corporate Payment made marketplaces safer and more flexible with Marjory, a leader in marketplace services, which now offers its customers innovative solutions featuring single- or multi-use virtual cards. The objective is to help marketplaces secure their supplier payments through an integrated solution (News dated August 17, 2020).

Public Social Programs

- In June 2019, Edenred announced the launch of its new commuter voucher, at the crossroads between Employee Benefits and Fleet & Mobility Solutions. Pursuant to the *Loi d'Orientation des Mobilités* (LOM) Act adopted in November 2019 and to France's sustainable mobility decrees, which came into effect on May 11, 2020, Edenred launched the *Ticket Mobilité* account, an easy-to-use digital solution that provides a means for employers to cover up to €400 of their employees' commuting costs per year (Press release dated May 11, 2020).
- In Niger, Edenred launched Agri Edenred, a fully digital payment solution to support farmers' development in the country. Edenred's payment solutions allow a million farmers in Africa to increase their yields by providing them with easy, traceable access to the fertilizers they need to develop their activities (News dated September 14, 2020).

Transactions

- Edenred successfully issued €600 million worth of 9-year bonds, maturing in June 18, 2020 and paying a coupon of 1.375%. The issuance enabled the Group to strengthen its financial resources and extend the average maturity of its debt under favourable conditions.

The success of the transaction reflects the market's confidence in the Group's credit quality, following on from the renewal of its "Strong Investment Grade" (BBB+A-2 Outlook stable) credit rating by Standard & Poor's in May (Press release dated June 10, 2020).

Governance

- Four appointments to the Executive Committee (Press releases dated December 10 and 16, 2020):
 - Emmanuelle Châtelain appointed Vice President, Communications,
 - Julien Tanguy appointed Executive Vice President, Finance,
 - Eric Sauvage appointed Executive Vice President, Marketing & Strategy,
 - Patrick Rouvillois appointed Executive Vice President, Innovation & Asia-Pacific.

Subsequent events

- Sage expands partnership with Corporate Spending Innovations, an Edenred company, to deliver new Vendor Payments offering (Press release dated March 10, 2021)

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1.3.2 2021 financial calendar

First-quarter 2021 revenue	April 22, 2021
General Meeting	May 11, 2021
First-half 2021 results	July 27, 2021
Third-quarter 2021 revenue	October 21, 2021

1.4 Milestones

2010: Creation of Edenred

On June 29, 2010, the Extraordinary General Meeting of Accor shareholders approved the demerger of the Hotels and Services businesses, leading to the creation of Edenred, listed on the Paris stock exchange as part of the CAC Next 20 index.

Since its formation, Edenred has pursued a targeted acquisitions strategy in its core business, and has carried out a strategic review of its portfolio.

In October 2016, Edenred implemented a strategic plan, Fast Forward, whose aim is to speed up the Group's transformation by 2020, while laying the foundations for new sources of sustainable and profitable growth.

In October 2019, Edenred unveiled a new strategic plan called Next Frontier, which leverages the unique nature of the Group's platform model to transform Edenred into the everyday companion for people at work.

Main acquisitions over the past three years

- January 2018: Edenred increased its stake in UTA to 83%;
- November 2018: Edenred acquired Corporate Spending Innovations (CSI), one of the leading providers of automated corporate payment software in North America;
- November 2018: Edenred acquired The Right Fuelcard Company (TRFC), the number four fuel card program manager in the United Kingdom;
- January 2019: Edenred signed an agreement for the dual acquisition of Merits & Benefits and Ekvita, market leaders in employee engagement platforms in Belgium;
- May 2019: Edenred acquired Italian employee engagement platform Easy Welfare;
- July 2019: Edenred acquired Benefit Online, a Romanian employee engagement platform;
- September 2019: Edenred signed an agreement to acquire EBV Finance, a Lithuanian company specialized in tax refunds for European transportation companies;

- January 2020: Edenred strengthened its leadership position in the United Arab Emirates payroll cards market with the acquisition of the payroll card portfolio of Mint;
- May 2020: Edenred became the owner of 100% of UTA;
- May 2020: Edenred strengthened its position in the Brazilian market with the acquisition of employee benefits operations from Cooper Card.

Joint ventures and alliances over the past three years

- January 2018: Edenred joined forces with Partech Ventures, its partner since 2011, to explore the African market;
- February 2018: Foncia chose Edenred to develop a digital payment method for collecting funds by wire transfer;
- September 2018: Edenred signed an exclusive partnership agreement pursuant to which its Employee Benefits solutions will be distributed in Brazil by Itaú Unibanco, the country's largest privately owned bank;
- October 2018: Edenred forged a partnership with Crédit Mutuel, whose customer advisors (and those of its subsidiary CIC) will market the *Ticket Restaurant* card to their clients;
- February 2019: Edenred launched its Corporate Payment Services offer in Africa with Jumia Travel, Africa's top online hotel booking portal;
- July 2019: Edenred joined forces with Swave, the French platform dedicated to innovation in financial services (fintech, insurtech and paytech), which was founded in 2017 at the initiative of the French State.

Disposals over the past three years

None.

For more information about acquisitions, development projects and disposals in 2020, see Chapter 7, Note 2 to the consolidated financial statements, pages 229 et 230.

1.5 Regulatory environment

1.5.1 Income tax and payroll tax rules

1.5.1.1 Overview

Employee benefits are exempted from income tax and/or payroll taxes as part of government strategies to encourage their use as an instrument of social policy. To ensure the effectiveness of this incentive system, strict rules govern the allocation and use of these solutions, particularly regarding the employer's contribution and role, the eligible beneficiaries and how the benefits may be used.

In some countries, companies have to be licensed to operate in the Employee Benefits market. They may also be subject to legal and regulatory requirements governing the issue of digital tickets or investment of the float (corresponding to the cash received from clients for prepaid services that has not yet been reimbursed to partner merchants). This is the case in France and Romania, for example (see section 2.1.4, page 40 and Note 4.7 to the consolidated financial statements, page 241).

The Fleet & Mobility Solutions business line is not affected by the existence of these kinds of exemptions.

The regulatory environment is illustrated in the following sub-sections by a description of the legislation applicable to meal vouchers in France and Brazil.

1.5.1.2 Regime applicable in France

Rules governing the allocation and use of meal vouchers

The allocation of meal vouchers by an employer is governed by a set of rules that include the following:

- the vouchers may only be allocated to company employees (including interns, in accordance with Article L.124-13 of the French Education Code [*Code de l'éducation*]);
- all employees of the company must be allocated vouchers with the same face value. However, an employer can choose to allocate meal vouchers only to selected employees, provided that the selection criteria are non-discriminatory;
- employees can only receive one voucher per meal eaten within their daily working hours (part-time employees therefore receive a meal voucher when their working hours include time set aside for a meal).

The use of meal vouchers by employees is also governed by a set of rules that include the following:

- employee users may use the vouchers to pay for their restaurant meal or the purchase of a ready-meal, dairy products or fruit and vegetables up to a daily limit of €19. Partner merchants are not

allowed to give any money back on paper voucher payments, while paperless vouchers allow employees to pay merchants the exact amount of the transaction. Government order no. 2020-706 of June 10, 2020 authorized a temporary increase in the daily limit on meal vouchers used exclusively in restaurants, cafés and bars to €38. The authorization was initially planned to remain in effect until December 31, 2020, but was extended to August 31, 2021 by government order no. 2021-104 of February 2, 2021;

- meal vouchers cannot be used on Sundays or public holidays, unless an exception is made by the employer exclusively for employees working on those days. For paper vouchers, this decision is to be explicitly stated on the voucher itself. For paperless solutions, the employer is to inform the employees concerned of the decision by any means before issuing the benefit. The abovementioned government order no. 2020-706 of June 10 temporarily authorized the use of meal vouchers on Sundays and public holidays exclusively in restaurants, cafés and bars. The authorization was initially planned to remain in effect until December 31, 2020 but was extended to August 31, 2021 by government order no. 2021-104 of February 2, 2021.

The public authorities also used the abovementioned government order no. 2021-104 to extend the validity of 2020 meal vouchers until August 31, 2021. Aside from persons and organizations working as restaurant owners or greengrocers, the only merchants that can accept meal vouchers are those accredited by France's *Commission Nationale des Titres Restaurant* (CNTR).

Employer and employee benefits

Meal vouchers are financed jointly by the employer (or in some cases the social and economic council) and the employee. The employer's contribution (plus – for the calculation of the ceilings below – any contribution by the social and economic council) cannot represent less than 50% or more than 60% of the vouchers' face value. The employer's contribution is exempt from employee and employer social security contributions provided that it does not exceed a certain ceiling, which is adjusted each year in line with the consumer price index (excluding tobacco) during the 12 months to October 1 of the year preceding the year the meal vouchers are acquired, rounded, if applicable, to the nearest cent (Article 81, 19° of the French General Tax Code (*Code général des impôts*), amended by France's 2020 Finance Act no. 2019-1479 of December 28, 2019). This exemption ceiling was maintained at €5.55 for 2021. The employer is free to contribute more than this amount, provided that the 50% and 60% minimum and maximum limits mentioned above are adhered to. In this case, only the fraction of the contribution in excess of the exemption ceiling is added back for the purpose of calculating the basis of assessment of social security contributions.

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Tax benefits for employees

Meal vouchers represent tax-free income for the employee user, as the portion of the face value paid by the employer within the legal limits is not subject to personal income tax.

1.5.1.3 Regime applicable in Brazil

According to the Brazilian food and meal vouchers law (Labour Food Program – PAT), there are two types of food-related vouchers in Brazil: meal vouchers (*vale refeição*) and food vouchers (*vale alimentação*). Meal vouchers may only be used in restaurants and fast-food outlets, while food vouchers may only be used in supermarkets and grocery stores. These two types of vouchers are not interchangeable.

Companies that want to give meal or food vouchers to their employees have to register with the Brazilian Labour Ministry. They can decide to give the vouchers to selected employees only,

provided that all employees who are paid less than five times the minimum wage are included.

As in France, part of the vouchers' face value is financed by the employer and part by the employee. The employee's contribution cannot exceed 20% of the face value and, in practice, employers generally finance the total amount. Meal vouchers are totally tax-exempt for both the employer and the employee. For large companies, in addition to being exempt from payroll taxes, which in Brazil can represent up to 100% of gross fixed pay, the employer's contribution is deducted from corporate income tax up to the equivalent of 4% of the tax due for each tax year. Since November 11, 2017, the Labour Reform, which reformulated the Brazilian Labour Code, is enforceable in Brazil. This law introduces, among other things, food aid provided by employers. Food aid may not be paid in cash and is not considered as part of the salary. As such, it is exempt from social security levies. The Labour Reform does not introduce any changes to the Brazilian food and meal vouchers law (Labour Food Program – PAT).

1.5.2 Other regulations

1.5.2.1 Within the European Union

All employee benefits are excluded from the scope of European directive 2009/110/EC of September 16, 2009 (the "E-Money directive") and directive (EU) 2015/2366 of November 25, 2015 (the "Payment Services directive"). The E-Money directive emphasizes that it is not intended to apply to "monetary value stored on specific prepaid instruments, designed to address precise needs that can be used only in a limited way", particularly because these instruments are only accepted within a "limited network" or can only be used to purchase "a limited range of goods or services, regardless of the geographical location of the point of sale". It states that this may include "meal vouchers or vouchers for services (such as vouchers for childcare, or vouchers for social or services schemes which subsidize the employment of staff to carry out household tasks such as cleaning, ironing or gardening), which are sometimes subject to a specific tax or labour legal framework designed to promote the use of such instruments to meet the objectives laid down in social legislation". The exclusion of all employee benefits is confirmed in the Payment Services directive, which provides a regulatory framework for payment services in the European Union. It clearly and unconditionally excludes "instruments valid only in a single member State provided at the request of an undertaking or a public sector entity and regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer".

The Incentive & Rewards, Fleet & Mobility Solutions and Corporate Payment Services portfolios contain some programs involving the issuance of e-money and/or the supply of payment services, which can only be issued by licensed institutions subject to specific capital adequacy rules. The Group offers these types of solutions through its subsidiaries PrePay Solutions UK and PPS EU, e-money issuers licensed in the UK and Belgium, respectively, and through the two e-money issuers created by the Group in Italy and France to meet local needs – Edenred Italia Fin S.r.l. and Edenred Paiement SAS.

Thanks to these four e-money issuers, Edenred can offer solutions, through its European subsidiaries, based on prepaid cards regarded as e-money. Each of these e-money issuers complies with all applicable capital adequacy and other requirements. The main rule resulting from the classification of certain programs as e-money or payment services concerns the obligation to protect the funds received in exchange for the issue of e-money or for the purpose of making a payment order. These funds are reported in the balance sheet under "Restricted cash" (see section 2.1.4, page 40 and Note 4.7 to the consolidated financial statements, page 241).

Following the United Kingdom's departure from the European Union on December 31, 2020, PrePay Solutions UK continues to issue e-money for use on its domestic market. PPS EU is now responsible for issuing and distributing e-money via other European subsidiaries.

1.5.2.2 Outside the European Union

The Group keeps a particularly watchful eye on the emergence of regulations that are similar to the E-Money and Payment Services directives in all countries in which it operates.

In several countries, regulations governing payment services and/or e-money sometimes take a similar approach to the European Union's Regulations, acknowledging the exceptional nature of the Employee Benefits offered by Edenred.

This is the case, for example, in Turkey, where regulations covering both payment services and e-money entered into force in June 2015. Just like the European Union's E-Money and Payment Services directives, the Turkish Regulations provide for the exclusion of instruments accepted within a "limited network" or which only grant access to "a limited range of goods or services".

Since 2014, the Central Bank in Brazil has been in charge of regulating procedures for the issue and functioning of certain electronic payment instruments. Circular no. 3,886 issued on March 26, 2018 recognized the specific nature of food and meal vouchers and excluded them from the Central Bank's scope of supervision. Edenred's other operations in Brazil, including the issuance and distribution of fuel cards, remain within the Central Bank's scope. The freight business company (*Repom*) is authorized by the Brazilian Central Bank to operate in close-loop schemes with the issuer. Fuel card and maintenance company *Ticket Soluções* is also authorized by the Brazilian Central Bank to operate in close-loop schemes. Others registration applications for companies affected by these regulations were still being reviewed by the Central Bank on December 31, 2020.



1.6 Contractual relationships

1.6.1 Contractual relationships with clients

Master contracts are signed with major accounts that generate significant business volume, organizing business relations with these clients.

Such master contracts are generally signed following a call for bids and may cover one or several of the corporate clients' facilities or subsidiaries. They are usually for periods of one to three years. In particular, they specify the terms of the compensation to be paid to

the Edenred unit concerned and the frequency of invoicing and remittance.

For small and medium-sized enterprises and micro-enterprises with limited needs that require greater ordering flexibility, contractual relations are generally based on order forms containing Edenred's general conditions of sale. As part of its digitalization process, the Group also makes use of online contractual agreements and simple, advanced or qualified electronic signatures.

1.6.2 Contractual relationships with merchants

The affiliation of merchants accepting Edenred solutions is formalized by paper or electronic contracts between the Edenred subsidiary and each merchant.

In particular, these contracts specify the terms of the Edenred subsidiary's compensation and the conditions and technical procedures governing the acceptance of the Edenred solutions.

1.6.3 Contractual relationships with suppliers and service providers

Relations between Edenred or its subsidiaries and external suppliers or service providers are governed by standard contracts. Close attention is paid to services with associated intellectual property rights in order to ensure that the rights of Edenred and its subsidiaries are clearly determined.

Edenred uses many suppliers and is not dependent on any single company. In order to benefit from powerful, scalable and secure technological infrastructures, the Group favours the use of public or private cloud-based IT solutions, from providers hailed by the market for the quality of their services and long-term viability. The Group has notably implemented global master agreements with leading

providers of cloud-based solutions and the associated network aspects. These agreements are particularly demanding in terms of compliance, security and availability. To support the digitalization of the Group's solutions, plastic card production, electronic payment services and technical acquisition or authorization services are also outsourced, with the appropriate diligence and care. Particular attention is also paid to the contractual and technical management of providers dealing with personal data, notably to ensure that the processing complies with applicable legislation such as the European General Data Protection Regulation (GDPR).

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PRESENTATION OF THE GROUP

1.7 Intellectual property

1.7 Intellectual property

Edenred's intellectual property mainly consists of its portfolio of brands and domain names. Intellectual property rights are managed by a dedicated in-house team and monitored worldwide by specialized service providers. *Ticket Restaurant* ⁽¹⁾ and all other trade names of Edenred solutions and services are registered trademarks of Edenred S.A.

Edenred ensures that its protected trademarks are never used inappropriately, with a special focus on preserving their distinctive character.

1.8 Real estate

Most of the Group's offices are leased. The Group does not expect to encounter any problems in renewing the leases.

(1) Edenred does not own the Ticket Restaurant trademark in Portugal.