*This document is an unofficial English-language translation of the draft response document (projet de note en réponse) which was filed with the French Autorité des marchés financiers on July 8, 2020, and which remains subject to its review. In the event of any differences between this unofficial English-language translation and the official French draft response document, the official French draft response document shall prevail.*

***The Offer and this Draft Response Document remain subject to review by the AMF***

**DRAFT RESPONSE DOCUMENT PREPARED BY:**

**IN RESPONSE TO**

**THE PROPOSED MIXED TENDER OFFER AS THE PRIMARY OFFER, ALONGSIDE A SECONDARY EXCHANGE OFFER AND A SECONDARY CASH OFFER FOR THE INGENICO SHARES UP TO AN OVERALL LIMIT OF 81% IN WORLDLINE SHARES AND 19% IN CASH**[1]

**AND**

**THE PROPOSED ALTERNATIVE MIXED AND CASH OFFER FOR BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW AND/OR EXISTING INGENICO SHARES**

(**THE "OCEANEs"**)

**INITIATED BY:**

**TERMS OF THE OFFER FOR THE SHARES OF INGENICO**

Primary mixed offer: €160.50 and 11 Worldline shares for 7 Ingenico shares
Secondary exchange offer: 56 Worldline shares for 29 Ingenico shares
Secondary cash offer: €123.10 per Ingenico share

**TERMS OF THE OFFER FOR THE OCEANEs OF INGENICO**

Mixed offer: €998 and 4 Worldline shares for 7 Ingenico OCEANEs
Cash offer: €179 per Ingenico OCEANE

**OFFER PERIOD**

The timetable of this offer will be set out by the Autorité des marchés financiers (the "**AMF**") in accordance with its General Regulation

[1] These percentages are rounded off. The exact percentages are determined by the ratio of the cash component of the Primary Offer, *i.e.* €160.50, to the Worldline share component of the Primary Offer, *i.e.* 11 Worldline shares multiplied by €63.75 (based on Worldline's closing price on January 31, 2020).

This draft response document was filed with the AMF on July 8, 2020 (the "**Draft Offer Document**"), in accordance with the provisions of Article 231-26 of the AMF General Regulation. It was prepared in accordance with the provisions of Article 231-19 of the AMF General Regulation.

**This Offer and this Draft Response Document remain subject to review by the AMF**

**IMPORTANT NOTICE**

Pursuant to Articles 231-19 and 261-1 *et seq.* of the AMF General Regulation, the report of Mrs. Agnès Piniot from the firm Ledouble, acting as independent expert (the "**Independent Expert**"), is included in this Draft Response Document.

In the event that, following the Offer or, if applicable, the Reopened Offer:

- the number of shares not tendered in the Offer or, if applicable, the Reopened Offer by the minority shareholders of Ingenico does not represent more than 10% of the share capital and voting rights of Ingenico; and

- the numbers of shares not tendered in the Offer or, if applicable, the Reopened Offer, by the minority shareholders of Ingenico and the number of Ingenico shares likely to be issued following the conversion of the Ingenico OCEANEs not tendered in the Offer or, if applicable, the Reopened Offer, does not represent more than 10% of the sum of the existing Ingenico shares and the Ingenico shares that may be created as a result of the conversion of the Ingenico OCEANEs,

Worldline intends, within a period of ten (10) trading days from the publication of the notice announcing the result of the Offer or, if applicable, at the latest within three (3) months following the closing of the Reopened Offer, in accordance with Article L. 433-4 II of the French Monetary and Financial Code and Articles 232-4 and 237-1 to 237-10 of the AMF General Regulation, to implement a squeeze-out tin order to be transferred, on the one hand, the Ingenico shares not tendered to the Offer or, as the case may be, to the Reopened Offer against compensation equal to the price of the secondary cash offer (*i.e.* €123.10 per Ingenico share), net of all costs and after adjustments if any, and, on the other hand, the OCEANEs not tendered in the Offer or, if applicable, the Reopened Offer in exchange for compensation equal to the OCEANEs cash offer price (*i.e.* €179 per Ingenico OCEANE), net of all costs and after adjustments, where applicable.

Furthermore, in the event that the conditions required to implement a squeeze-out in respect of Ingenico shares would be met, but that those required to implement a mandatory squeeze-out for the Ingenico OCEANEs would not be, Worldline intends to implement a mandatory squeeze-out for the Ingenico shares under the terms and conditions of time and indemnity set out above on condition that Ingenico is able to exercise an option for early redemption of OCEANEs, in accordance with the terms and conditions of the OCEANEs (in particular in the event that the number of Ingenico OCEANEs remaining in circulation, other than those held by Worldline at the end of the Offer or, as the case may be, of the Reopened Offer, is less than 15% of the OCEANEs issued) (it being specified that Worldline reserves the right to waive this condition).

A description of the legal, financial and accounting characteristics of Ingenico will be made available to the public, no later than the day preceding the opening of the Offer, in accordance with Article 231-28 of the AMF General Regulation.

A press release will be issued, no later than the day preceding the opening of the Offer, to inform the public of the manner in which the information will be made available.

This Draft Response Document is available on the website of Ingenico (www.ingenico.com) and on the website of the AMF (www.amf-france.org) and may be obtained free of charge at Ingenico's registered office located 28-32, boulevard de Grenelle, 75015 Paris.

**TABLE OF CONTENTS**

# 1. REMINDER OF THE MAIN TERMS AND CONDITIONS OF THE OFFER

## 1.1. Description of the Offer

Pursuant to Title III of Book II and more specifically Articles 231-13 and 232-1 *et seq*. of the General Regulation of the *Autorité des marchés financiers* (the "**AMF**"), Worldline, a limited liability corporation (*société anonyme*) having its registered office at 80 quai Voltaire, River Ouest, 95870 Bezons, France, registered with the Pontoise Trade and Companies Register under number 378 901 946, the shares of which are traded on the Euronext regulated market in Paris ("**Euronext Paris**") under ISIN Code FR0011981968 (ticker symbol "WLN") ("**Worldline**" or the "**Offeror**"), makes an irrevocable offer to the shareholders of Ingenico Group, a limited liability corporation (*société anonyme*) having its registered office at 28-32 boulevard de Grenelle, 75015 Paris, France, registered with the Paris Trade and Companies Register under number 317 218 758, the shares of which are traded on Euronext Paris under ISIN Code FR0000125346 (ticker symbol "ING") ("**Ingenico**" or the "**Company**"), to acquire and/or exchange, under the terms and conditions set forth in paragraph 1 of the draft offer document prepared by the Offeror (the "**Draft Offer Document**") and in paragraph 1.3.2 of the Draft Response Document (the "**Offer**"):

(i) all the Ingenico shares admitted to trading:

- that are currently issued and outstanding, *i.e.* as of the date of the Draft Offer Document, a maximum number of 63,713,047 Ingenico shares,[2] and

- that may be issued prior to the closing of the Offer or the Reopened Offer, as a result of (i) the vesting of the performance shares granted by Ingenico (the "**Performance Shares**"), (*i.e.* as of the date of the Draft Offer Document, a maximum of 1,013,203 new Ingenico shares) or (ii) the conversion of the OCEANEs (as defined below) (*i.e.* as of the date of the Draft Offer Document, a maximum of 3,373,220[3] new Ingenico shares),

  altogether representing, as of the date of the Draft Offer Document, a maximum number of 68,099,470 Ingenico shares included in this Offer; and

(ii) all outstanding Ingenico bonds convertible into and/or exchangeable for new and/or existing shares ("**OCEANEs**") maturing in 2022 (*i.e.* as of the date of the Draft Offer Document, 2,904,443 OCEANEs).

The Performance Shares still in the vesting period on the closing date of the Offer or, if applicable, the Reopened Offer are not included in the Offer, subject to the lifting of unavailability periods provided for by applicable laws and regulations. The holders of these Performance Shares will be able to benefit from a liquidity mechanism under the conditions described in paragraph 2.7.2 of the Draft Offer Document and paragraph 1.3.6 of the Draft Response Document.

The Ingenico shares acquired through the Offer will be acquired with immediate dividend entitlements, it being specified that, in accordance with the recommendations of the *Association française des entreprises privées* (Afep) in the context of the Covid-19 crisis, Ingenico's General Shareholders' Meeting of June 11, 2020, decided, as an exception to Article 22 of the Company's Articles of Association, not to distribute a dividend in respect of the financial year 2019.

The Draft Offer Document indicates that, as of this date, Worldline does not directly or indirectly hold any Ingenico shares, alone or in concert.

In accordance with Article 231-13 of the AMF General Regulation, on July 8, 2020, BNP Paribas, Morgan Stanley Europe SE, Natixis and Société Générale (together the "**Presenting Banks**"), in their capacity as

[2] This also includes treasury shares, *i.e.* 1,294,974 shares, it being specified that the Company undertook not to tender the treasury shares in the Offer.
[3] Calculated on the basis of the adjusted share allocation ratio, as determined in paragraph 2.6.1.2.1 of the Draft Offer Document.

institutions presenting the Offer, filed the proposed Offer and the Draft Offer Document with the AMF on behalf of the Offeror. Only BNP Paribas guarantees the content and the irrevocable nature of the undertakings made by the Offeror in connection with the Offer.

The Offer is subject to the caducity threshold referred to in Article 231-9, I of the AMF General Regulation, as described in more detail in paragraph 2.8.1 of the Draft Offer Document and in paragraph 1.3.7.1 of the Draft Response Document. The Offer also includes an acceptance threshold, in accordance with Article 231-9, II of the AMF General Regulation, as detailed in paragraph 2.8.2 of the Draft Offer Document and in paragraph 1.3.7.2 of the Draft Response Document (it being specified that the Offeror reserves the right to waive this condition).

In addition, as of the date of the Draft Offer Document, the Offer is subject to the condition precedent of obtaining Merger Control Clearance (as defined in paragraph 1.3.7.3 below), it being specified that the Offeror reserves the right to waive this condition.

The Offer is made on a voluntary basis and will be conducted following the standard procedure pursuant to Articles 232-1 *et seq*. of the AMF General Regulation.

## 1.2. Background and Reasons for the Offer

### 1.2.1. Background

Following contact made between the representatives of Worldline and Ingenico, Worldline expressed its interest in a combination in the form of a tender offer initiated by Worldline for the securities of Ingenico and, following a series of exchanges, the respective Boards of Directors of Worldline and Ingenico unanimously approved the conclusion of a Business Combination Agreement on February 2, 2020 (the "**Business Combination Agreement**"), which was signed on the same day.

On February 2, 2020, the Board of Directors of Ingenico, on the advice of its ad hoc committee, also appointed the firm Ledouble, represented by Agnès Piniot, as independent expert (the "**Independent Expert**"), in accordance with the provisions of Articles 261-1, I, 4° and 5° and 261-1, II of the AMF General Regulation to issue a decision on the fairness of the financial conditions of the Offer. The mission of the firm Ledouble cover, as necessary, the conditions of the squeeze-out that the Offeror intends to implement at the end of the Offer on the terms and conditions specified in the Draft Offer Document.

The transaction and the terms of the Offer were announced by a joint press release on February 3, 2020, which is available on Worldline's website (www.worldline.com), as well as Ingenico's (www.ingenico.com).

In parallel, Worldline, Ingenico, Deutscher SparkassenVerlag GmbH and S-Payment GmbH ("**DSV**") entered into a memorandum of understanding (the "**Payone JV MoU**") on February 2, 2020, relating to the joint venture between Ingenico and DSV combining the retail activities[4] of the two groups in Germany, Austria and Switzerland (the "**Payone JV**"). The clauses of the Payone JV MoU were implemented by the conclusion on June 8, 2020, in particular, of a combination agreement and an amendment to the shareholders' agreement relating to the Payone JV and the other agreements with respect to the JV Payone (together with the Payone JV MoU, the "Payone Agreements").

In addition, following discussions between Worldline and Bpifrance Participations, one of the main shareholders of Ingenico, Worldline and Bpifrance Participations entered into a tender commitment on February 2, 2020 under the terms of which Bpifrance Participations undertook to endorse the proposed Offer and tender all of its Ingenico shares in the Offer (the "**BPI Tender Commitment**").

The main terms of the Business Combination Agreement, the Payone Agreements and the BPI Tender Commitment are described below.

[4] As defined in Ingenico's Universal Registration Document filed with the AMF on April 24, 2020 under number D.20-0347.

#### 1.2.1.1. Business Combination Agreement

The Business Combination Agreement specifies the terms and conditions of the combination between Worldline and Ingenico, and sets out in particular:

(i) the principal terms and conditions of the Offer, as detailed in paragraph 2 of the Draft Offer Document and in paragraph 1.3.2 of the Draft Response Document;

(ii) the conditions for the filing, opening and completion of the Offer;

(iii) a customary commitment made by Ingenico and Worldline in the normal course of business and in a manner consistent with past practice, as well as specific commitments not to carry out certain transactions without the agreement of the other company (such as, for example, amending the by-laws, issuing shares, acquiring or selling assets, changing accounting principles (subject, as applicable, to exceptions and/or thresholds defined in the Business Combination Agreement)), until the date of final completion of the transaction;

(iv) the customary reciprocal representations and warranties made by Ingenico and Worldline to the other party (such as the composition of its capital, financial information, litigation, regulatory approvals, lack of privileged information, etc.);

(v) the treatment of the situation of the beneficiaries eligible to receive Performance Shares, as described in paragraph 2.7 of the Draft Offer Document and in paragraphs 1.3.5 and 1.3.6 of the Draft Response Document;

(vi) Ingenico's undertaking not to tender the treasury shares in the Offer;

(vii) Worldline and Ingenico's respective undertaking to cooperate with each other with respect to the implementation of procedures for information and/or consultation of employee representative bodies, the work of the Independent Expert, the preparation of the Offer documentation and the completion of the Offer, and in obtaining all necessary regulatory clearances (including from the competent competition authorities);

(viii) an undertaking by Ingenico to make all reasonable efforts, with the cooperation of Worldline, to obtain any necessary third party consents under change of control, exclusivity or non-compete clauses to avoid any material prejudice or disruption to Ingenico's business that may result from the completion of the Offer; and

(ix) Worldline and Ingenico's commitment to take all necessary or appropriate action to successfully implement the Offer and not to take any action that would impede its completion.

The provisions of the Business Combination Agreement relating to the governance of Worldline, and their implementation by the Offeror, are described in paragraph 1.1.1(a) of the Draft Offer Document.

During the term of the Business Combination Agreement, Ingenico has undertaken, *inter alia*, not to solicit or facilitate the conclusion of a competing transaction or to enter into negotiations or discussions with a view to the conclusion of such a competing transaction, nor to approve or recommend a competing transaction.

However, in the event of an unsolicited offer given by a third party on terms more favorable than those of the Offer, Ingenico may:

- enter into discussions with the third party; and

- approve or recommend the competing offer, provided that Worldline has been notified in advance (and provided with the details of the competing offer) and has given Worldline the opportunity to submit an amended offer. Ingenico will negotiate in good faith with Worldline in this regard.

The Business Combination Agreement expires on October 31, 2020. However, the term will be automatically extended until December 31, 2020 (i) if the regulatory clearances and merger control clearances stipulated therein are not obtained by October 31, 2020 or (ii) if the Offer is still open on October 31, 2020.

The Business Combination Agreement may been terminated:

- by Worldline or Ingenico in the event that the Offer (i) is not successful, due to the failure to fulfill one of the conditions at the opening or upon completion of the Offer or (ii) is withdrawn in accordance with applicable regulations (including pursuant to Article 232-11 of the AMF General Regulation);

- by Worldline or Ingenico (as applicable) in the event of a material breach of the Business Combination Agreement by the other party. In the event of a material breach by Worldline, Worldline shall pay to Ingenico a termination fee of €200 million and, in the event of a material breach by Ingenico, Ingenico shall pay to Worldline a termination fee of €100 million;

- by Worldline in the event that:

    - the Board of Directors of Ingenico does not issue a favorable reasoned opinion, changes its recommendation concerning the Offer or recommends or enters into a competing transaction with a third party;

    - Ingenico makes a decision or takes an action resulting in the withdrawal of the Offer in accordance with Article 232-11 of the AMF General Regulation, thus preventing or significantly impeding the completion of the Offer.

In the latter two cases, Ingenico will be required to pay Worldline a termination fee of €100 million.

1.2.1.2. Payone JV

The legal documentation relating to the Payone JV initially concluded between Ingenico and DSV provided for exclusivity of the Payone JV for the retail activities of both groups in Germany, Austria and Switzerland.

Pursuant to the Payone JV MoU, the territorial scope of activity of the Payone JV has been modified subject to the satisfaction of certain conditions precedent provided for in the Payone Agreements, namely, in particular, that the Offer is successful and that the regulatory approvals and tax rulings relating to the contributions to be made to the Payone JV under the Payone Agreements are obtained. In this respect, the Payone Agreements provide in particular for:

- the lifting of exclusivity of JV Payone on Swiss territory followed by the sale, by the JV Payone, of its business in Switzerland to Worldline (or one of its affiliates); and

- the contribution, by some Worldline group companies, of the Merchant Services activity[5] in Germany and Austria to Payone GmbH (in exchange for new shares of Payone GmbH, which will then be contributed to the Payone JV).

As mentioned below, Michael Stollarz, representative of DSV, was appointed Director of Worldline by Worldline's General Shareholders' Meeting of June 9, 2020, subject to the condition precedent of the completion of Worldline's acquisition of Ingenico.

The Payone Agreements specify that Worldline's management undertakes to use its best efforts to propose to Worldline's Board of Directors and the Nominations and Remuneration Committee the appointment of

[5] As set out in Worldline's Universal Registration Document filed with the AMF on April 29, 2020 under the number D.20-0411.

a Director representing DSV on Worldline's Board of Directors in the event of future appointments to the Board of Directors.

In addition, two supplementary agreements have been concluded. The first one organizes the interactions between the Payone JV and the member institutions of the Sparkassen-Finanzgruppe in order to strengthen their cooperation. The second one frames the commercial relations between the Payone JV and its shareholders.

1.2.1.3. Bpifrance Participation's tender commitment

Under the terms of the BPI Tender Commitment, Bpifrance Participations has undertaken to Worldline to tender all of its Ingenico shares in the Offer, *i.e.* 3,384,971 shares, representing approximately 5.31% of Ingenico's share capital.

Under the terms of the BPI Tender Commitment, Bpifrance Participations has also undertaken not to hinder or prevent the completion of the transaction, and to reaffirm, if necessary, the BPI Tender Commitment.

The BPI Tender Commitment is valid until December 31, 2020, subject to extension or early termination.

The BPI Tender Commitment will become null and void if (i) a tender offer is filed by a third party prior to the filing of the Offer, or if (ii) a competing tender offer is cleared by the AMF. However, in the event that, following such a third party bid, Worldline files a competing bid or a superior bid that is cleared by the AMF, and the other principles and terms of the transaction remain unchanged, the BPI Tender Commitment will refer to such competing bid or superior bid by Worldline.

The BPI Tender Commitment was the subject of an AMF notice on February 18, 2020 (D&I 220C0652).

The BPI Tender Commitment also provides for the appointment of a representative of Bpifrance Participations to the Board of Directors of Worldline, who will remain in this role as long as Bpifrance Participations holds at least 4% of Worldline's share capital no later than 10 weeks prior to the 2021 Worldline Annual General Meeting. Assuming that Bpifrance Participations maintains its stake in Worldline, *i.e.* as of June 30, 2020, 3.61% of Worldline's share capital, and in Ingenico, *i.e.* 5.31% of Ingenico's share capital, this threshold should be reached upon completion of the Offer. During the General Meeting of Worldline on June 9, 2020, the appointment of Thierry Sommelet to Worldline's Board of Directors was approved by the 17$^{th}$ resolution, subject to the condition precedent of the completion of the acquisition of Ingenico.

1.2.1.4. Information and consultation of employee representative bodies

On February 4, 2020, in accordance with Articles L. 2312-42 *et seq.* of the French Labor Code, the information procedure of Worldline's employee representative bodies and the information-consultation procedure of Ingenico's employee representative bodies were initiated. On March 12, 2020, the social and economic committee of the Ingenico economic and social unit issued a reasoned opinion on the draft Offer, which is fully reproduced in Annex 1 of this Draft Response Document (please refer to paragraph 3 of this Draft Response Document).

1.2.1.5. Ingenico's specific collective investment fund

On May 7, 2020, the supervisory board of Ingenico's specific collective investment fund (*fond commun de placement d'entreprise - FCPE dédié*) ("**FCPE Ingenico**") approved the terms of the Offer and authorized FCPE Ingenico to tender its Ingenico shares into the Primary Offer.

1.2.1.6. Decision to file the proposed Offer

The Board of Directors of Worldline, which met on July 6, 2020, unanimously decided to file the proposed Offer with the AMF.

On July 6, 2020, the Independent Expert submitted to the Board of Directors of Ingenico its final report on the financial terms and conditions of the Offer in accordance with the aforementioned Article 261-1 of the AMF General Regulation. The report of the Independent Expert dated July 6, 2020 is reproduced in paragraph 6 and in Annex 3 of this Draft Response Document. The Independent Expert has concluded that the Offer is fair to holders of Ingenico shares and OCEANEs.

On July 7, 2020, the Board of Directors of Ingenico, after having read the report of the Independent Expert, considered that the Offer was in the interest of Ingenico, its shareholders and employees and issued a reasoned opinion recommending that the holders of Ingenico shares and OCEANEs tender their securities to the Offer. This reasoned opinion is fully reproduced in paragraph 2 of this Draft Response Document.

1.2.1.7. Data room

Prior to signing the Business Combination Agreement, Worldline and Ingenico exchanged limited information concerning them through a data room procedure in accordance with the AMF recommendations on data room procedures contained in the guide to ongoing information and management of privileged information (AMF - DOC-2016-08).

1.2.2. Reasons for the Offer

***Creation of the n°4 player in payment services worldwide***

Worldline is a European leader in the payment and transactional services industry. Ingenico Group is the global leader in seamless payment.

This transaction would combine two premier companies to create the world's number four player in payments services with 2019 net pro forma revenues reaching €5.3 billion, €1.2 billion in OMDA and approximately 20,000 employees in approximately 50 countries. Upon closing, the new combined group would offer payment services to nearly 1 million merchants and 1,200 financial institutions.

***Unique combination in the payment ecosystem with a new global powerhouse in Merchant Services***

The transaction would allow Worldline to consolidate its existing position within the European payments landscape, reaching c. €300 billion of purchase volume acquired and a c. 20% European market share in Financial Services. Worldline would strengthen its capabilities in Merchant Services[6] doubling its revenues to approximately €2.5 billion. Worldline would also become the number 3 online payment acceptance provider in Europe with c. 250,000 e-commerce customers and websites, with acceptance of more than 350 payment methods and connection to more than c. 150 local acquirers. Finally, Worldline would be able to offer the most extensive value chain coverage, from issuing to merchant acquiring, including very strong positions in last generation payment systems such as account-based and instant payment.

Worldline would benefit from an expanded global geographical coverage with exceptional reach in Continental Europe, access to the US market, reinforcement of Worldline's exposure to merchants in Latin America and Asia-Pacific and expansion in low card-penetrated countries.

Worldline's and Ingenico's unique market expertise is highly complementary, with Ingenico's strong solutions in Travel, Health and e-Commerce complementing Worldline's expertise in Hospitality, Petrol retail, Luxury retail.

Worldline would become the global leader in payment terminals with more than 14 million units shipped per year and a presence built over 35 years in the sector, bringing Worldline 1,000 new banking and acquirer relationships worldwide. In order to accelerate its transformation towards "*Payment Platform as a Service*"

[6] As defined in Worldline's Universal Registration Document filed with the AMF on April 29, 2020 under number D.20-0411.

(PPaaS), a review of the strategic alternatives available to the Banks and Acquirers division (B&A)[7] would be undertaken post-closing to secure the long term development perspectives for this business, in the best interest of its customers, employees and shareholders.

Finally, this combination would strengthen product innovation and investment capabilities with a combined R&D investment in excess of €300 million.

***A leadership position in Germany and Austria through a reinforced partnership with the German saving banks***

As part of this transaction, the combined group would reinforce its controlling position in Payone, the joint-venture between Ingenico and the German savings bank group DSV (*Deutscher Sparkassenverlag*), currently controlled by Ingenico, through the contribution of Worldline's Merchant Services activities in Germany and Austria to the joint-venture.

Worldline would thereby establish a new strategic partnership with a major European banking group from the largest European economy, while the German savings banks would benefit from an enhanced partnership to provide their customers with best-in-class merchant services and associated offers.

***Significant run-rate synergies of approximately €250 million by 2024***

A description of the expected synergies can be found in paragraph 1.3.2 of the Draft Offer Document.

***Major player for continued consolidation in Europe and beyond***

The Offer confirms Worldline's position as a consolidator in the payments industry, with its distinctive track record of strategic partnerships with banking institutions. Following the completion of the Offer, Worldline will benefit from a strong balance sheet and increased size enabling it to participate in the next steps of the industry consolidation.

1.2.3. Worldline Combined General Shareholders' Meeting on June 9, 2020

On June 9, 2020, during Worldline's Combined General Shareholders' Meeting, by the adoption of the 32nd resolution, the shareholders delegated to the Board of Directors their authority to issue Worldline shares as consideration for the Ingenico shares and OCEANEs tendered in the Offer or, if applicable, the Reopened Offer, or in the context of a squeeze-out, as well as in the context of any purchase or sale commitments entered into in connection with the Offer with employees or former employees and officers or former officers of the Ingenico group.

In addition, during Worldline's Combined General Shareholders' Meeting held on June 9, 2020, for the purpose of completing the transaction, the shareholders:

- by the adoption of the 33rd resolution, delegated to the Board of Directors their authority to decide the issue of shares reserved for the beneficiaries of free shares granted by Ingenico on the basis of Article L. 225-197-1 *et seq.* of the French Commercial Code, to holders of Ingenico shares through a company savings plan and/or a group savings plan or through a company mutual fund; and

- by the adoption of the 34th resolution, delegated to the Board of Directors their authority to issue shares or securities giving access to the capital as consideration for contributions in kind relating to equity securities or securities giving access to capital.

The delegations granted by the 32nd, 33rd and 34th resolutions may be used to deliver Worldline shares in exchange for Ingenico shares to the beneficiaries of free shares granted by Ingenico to its employees and

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[7] As defined in Ingenico's Universal Registration Document filed with the AMF on April 24, 2020 under number D.20-0347.

managers, in accordance with the applicable regulations and restrictions, under the conditions defined in paragraph 2.7 of the Draft Offer Document and in paragraph 1.3.6 of the Draft Response Document.

Finally, during Worldline's Ordinary and Extraordinary General Shareholders' Meeting held on June 9, 2020, by adoption of the 35th resolution, the Board of Directors was authorized to proceed with the free allotment of Worldline shares to the employees and corporate officers of Ingenico and its subsidiaries.

## 1.3. Reminder of the main terms of the Offer

### 1.3.1. Number and type of securities included in the Offer

The Offer is for:

(i) all the Ingenico shares admitted to trading:

- that are currently issued and outstanding, *i.e.* as of the date of the Draft Offer Document, a maximum number of 63,713,047 Ingenico shares, and

- that may be issued prior to the closing of the Offer or the Reopened Offer, as a result of (i) the vesting of the Performance Shares (*i.e.* as of the date of the Draft Offer Document, a maximum of 1,013,203 new Ingenico shares) or (ii) the conversion of the OCEANEs (as defined below) (*i.e.* as of the date of the Draft Offer Document, a maximum of 3,373,220[8] new Ingenico shares ).

  altogether representing, as of the date of the Draft Offer Document, a maximum number of 68,099,470 Ingenico shares included in this Offer; and

(ii) all outstanding OCEANEs (*i.e.* as of the date of the Draft Offer Document, 2,904,443 OCEANEs).

The Performance Shares still in the vesting period on the closing date of the Offer or, if applicable, the Reopened Offer are not included in the Offer, subject to the lifting of unavailability periods provided for by the applicable legal or regulatory provisions.

There are no other equity securities, or other financial instruments issued by the Company or rights granted by the Company that could give access, either immediately or in the future, to the share capital or voting rights of the Company.

As of the date of the Draft Offer Document, Worldline does not directly or indirectly hold any Ingenico shares, alone or in concert.

[8] Calculated on the basis of the adjusted share allocation ratio, as determined in paragraph 2.6.1.2.1 of the Draft Offer Document.

### 1.3.2. Main terms of the Offer

In accordance with Article 231-13 of the AMF General Regulation, BNP Paribas, Morgan Stanley Europe SE, Natixis and Société Générale, in their capacity as presenting institution acting on behalf of the Offeror, filed, on July 8, 2020, the proposed Offer and the Draft Offer Document with the AMF in the form of a mixed public tender offer, as the primary offer, accompanied as secondary offers by a public exchange offer and a public cash offer for the shares of Ingenico, and an alternative mixed public offer and cash offer for the OCEANEs. Only BNP Paribas guarantees the content and the irrevocable nature of the undertakings made by the Offeror in connection with the Offer.

This Offer is made on a voluntary basis and will be conducted following the standard procedure pursuant to Articles 232-1 *et seq.* of the AMF General Regulation.

The Offer, the Draft Offer Document and the Draft Response Document remain subject to review by the AMF.

The Offeror irrevocably undertakes to acquire from the shareholders of Ingenico and the holders of OCEANEs all the Ingenico shares and OCEANEs, which will be tendered in the Offer, in exchange for the remuneration provided in paragraphs 1.3.2.1 and 1.3.2.2 below.

The terms of the Offer are described in more detail in the Draft Offer Document.

#### 1.3.2.1. Offer for the Ingenico shares

**Primary offer**

As a primary offer, the Offeror irrevocably offers Ingenico shareholders to tender their Ingenico shares to the Offer and to receive, in consideration, €160.50 and 11 Worldline shares for 7 tendered Ingenico shares (the "**Primary Offer**").

**Secondary Offers**

In order to best meet the expectations of Ingenico's shareholders who would like to receive a different proportion of Worldline shares and cash, without altering the overall proportion of 81% in Worldline shares and 19%[9] in cash, the Primary Offer is accompanied by a public exchange offer and a public cash offer (the "**Secondary Offers**"), the characteristics of which are as follows:

- secondary exchange offer (the "**Secondary Exchange Offer**"): within the limit defined below under the proration mechanism, the Offeror offers to the shareholders of Ingenico to receive 56 Worldline shares in exchange for 29 shares of Ingenico;

- secondary cash offer (the "**Secondary Cash Offer** "): within the limit defined below under the proration mechanism, the Offeror offers Ingenico shareholders to acquire their Ingenico shares at a price of €123.10 per Ingenico share.

Ingenico shareholders may tender their Ingenico shares (i) either to the Primary Offer, (ii) or to one and/or another of the Secondary Offers, (iii) or to the Primary Offer and one and/or another of the Secondary Offers.

**Proration mechanism**

The Ingenico shares tendered to the Primary Offer will be fully paid in accordance with this offer.

[9] These percentages (and the ratio shown in paragraph 2.1.1.3 of the Draft Offer Document) are rounded off. The exact percentages are determined by the ratio of the cash component of the Primary Offer, *i.e.* €160.50, to the Worldline share component of the Primary Offer, *i.e.* 11 Worldline shares multiplied by €63.75 (based on Worldline's closing price on January 31, 2020).

Secondary Offers will be subject, where applicable, to a proration mechanism in order to obtain:

- an amount in cash to be paid under the Offer equal to the amount that would have been obtained if all the Ingenico shareholders who tendered to the Offer had tendered their Ingenico shares to the Primary Offer; and
- a total number of Worldline shares under the Offer equal to the number that would have been obtained if all Ingenico shareholders who tendered to the Offer had tendered their Ingenico shares to the Primary Offer.

In the event that the number of Ingenico shares tendered to the Secondary Cash Offer relative to the number of Ingenico shares tendered to the Secondary Exchange Offer is not equal to 0.229 (*i.e.* 19% divided by 81%), a proration mechanism will be put in place under the conditions specified in paragraph 2.1.1.3 of the Draft Offer Document.

1.3.2.2. Offer for the Ingenico OCEANEs

The Offeror irrevocably invites the holders of OCEANEs to tender their OCEANEs in the Offer in exchange for either:

- €179 for 1 Ingenico OCEANE (the "**OCEANE Cash Offer**"); or
- 4 Worldline shares and €998 for 7 Ingenico OCEANEs (the "**OCEANE Mixed Offer**").

1.3.2.3. Treatment of fractional shares

No fractional Worldline shares may be delivered under the Offer or, if applicable, the Reopened Offer. Ingenico shareholders or holders of Ingenico OCEANEs who tender to the Offer or, if applicable, the Reopened Offer, a number of Ingenico shares or OCEANEs that does not entitle them to a whole number of Worldline shares will be deemed to have expressly agreed to participate in the mechanism for the resale of fractional Worldline shares described below in respect of the fractional Worldline shares to which they are entitled.

In consideration for the fractional Worldline shares, Ingenico shareholders or holders of Ingenico OCEANEs will receive a cash amount (in euros, rounded to the nearest euro cent, it being specified that 0.5 euro cent will be rounded to one euro cent) equal to such fractional Worldline shares multiplied by the average price per Worldline share, net of costs, resulting from the sale of all fractional Worldline shares.

After the closing of the Offer (or, if applicable, the Reopened Offer), an authorized intermediary appointed by the Offeror will sell the fractional Worldline shares on the market on behalf of the Ingenico shareholders and the holders of Ingenico OCEANEs. The sale of all fractional Worldline shares (their number as communicated by Euronext Paris being rounded up) will take place no later than ten (10) trading days after settlement of the Offer or, if applicable, the Reopened Offer. The amount in cash will be paid to the shareholders of Ingenico and to the holders of Ingenico OCEANEs as soon as possible after this date.

No interest will be paid on the cash amount to be received by an Ingenico shareholder or a holder of Ingenico OCEANEs in consideration for a fractional Worldline share, including in the event of late payment of such amount.

It is specified that the shareholders of Ingenico may, if they so wish, waive the compensation in cash for their fractional rights, the compensation then remaining acquired by the Offeror. It will be the responsibility of shareholders wishing to waive their fractional rights to inform their financial intermediary when they send their order to tender to the Offer or, as the case may be, to the Reopened Offer. The Ingenico shareholders concerned are invited to consult paragraph 2.18 of the Draft Offer Document, in particular paragraph 2.18.1.2(a)(iii) on the applicable tax regime.

1.3.3. Adjustment of the terms of the Offer

In the event that Worldline or Ingenico carries out a Distribution (as such term is defined below), in any form whatsoever, for which the reference date on which one must be a shareholder in order to receive the Distribution is set no later than the settlement date of the Offer or, if applicable, the Reopened Offer, the remuneration offered under the Offer will be adjusted to take such Distribution into account.

For the purposes of this paragraph, a "**Distribution**" means, as applicable, the amount per Ingenico or Worldline share of any distribution (in cash or any other form), including (i) any distribution of a dividend, interim dividend, reserves or premiums by Worldline or Ingenico, as well as (ii) any capital amortization or capital decrease by Worldline or Ingenico, or any acquisition or buy-back by Worldline or Ingenico of their own shares, in all cases prior to the settlement of the Offer or, if applicable, the Reopened Offer.

Any adjustment of the terms of the Offer will be announced in a press release subject to the AMF's prior approval.

In accordance with the recommendations of the *Association française des entreprises privées* (Afep) in the context of the Covid-19 crisis, Ingenico's General Shareholders' Meeting of June 11, 2020, decided, as an exception to Article 22 of the Company's Articles of Association, not to distribute a dividend in respect of the financial year 2019.

1.3.4. Situation of holders of OCEANES

On June 26, 2015, Ingenico issued 2,904,443 OCEANEs due June 26, 2022. The OCEANEs, with a nominal value of €172.15 each, do not bear interest and are convertible or exchangeable at any time by the delivery of 1.009 new or existing shares for one OCEANE[10], subject to additional adjustments provided for in the terms and conditions of the OCEANEs and under the conditions set out therein. To the best of the Company's knowledge, 2,904,443 OCEANEs are outstanding as of the date of the Draft Offer Document. The terms and conditions of the OCEANEs are available on the Company's website (https://www.ingenico.com/fr/finance/obligations-convertibles/oceane).

1.3.4.1. Tenders to the Offer

Holders of OCEANEs who wish to do so may tender their OCEANEs to the Offer, in accordance with the terms and conditions described in the Draft Offer Document and the Draft Response Document.

1.3.4.2. Rights of holders of OCEANEs in the event of an Offer

***Conversion or exchange of the OCEANEs in the event of an Offer***

In accordance with the terms and conditions of the OCEANEs, to the extent that the Offer is likely to result in a Change of Control (as defined below) of the Company, the opening of the Offer entails an adjustment of the allocation ratio of Ingenico shares during the Adjustment Period in the event of a Tender Offer (as defined below) in accordance with the following formula (the result will be rounded off in accordance with the terms and conditions of issuance of the OCEANEs):

**NRAA = RAA x [1 + Issue Premium of the OCEANEs x (J / JT)]**

where:

- NRAA means the new Ingenico share allocation ratio (*nouveau ratio d'attribution d'actions*) applicable during the Tender Offer Adjustment Period;

[10] To the Offeror's knowledge, according to the press release published by Ingenico on June 1, 2018 mentioning the share allocation ratio.

- RAA means the Ingenico share allocation ratio (*ratio d'attribution d'actions*) in effect prior to the Offer Opening Date (as defined below);
- Issue Premium of the OCEANEs means the premium, expressed as a percentage that the nominal value of the OCEANEs reflects in relation to the reference share price of the Company's shares selected at the time of determination of the final terms and conditions of the OCEANEs, *i.e.* 55%;
- J means the exact number of days between the Offer Opening Date (included) and June 26, 2022, the maturity date of the OCEANEs (excluded); and
- JT means the exact number of days between June 26, 2015, the issue date of the OCEANEs (included) and June 26, 2022, the maturity date of the OCEANEs (excluded), *i.e.* 2,557 days.

As a result of the Offer, the adjusted share allocation ratio (or NRAA) is 1.1614, based on an opening date of the Offer of July 24, 2020, as set out in the indicative timetable in paragraph 2.13 of the Draft Offer Document and in paragraph 1.8 of the Draft Response Document. As the ratio is dependent on the opening date of the Offer, it could be modified in the event of a postponement or advancement of this date.

The adjustment of the Ingenico share allocation ratio, as set out above, will exclusively benefit the holders of OCEANEs who exercise their right to the allocation of Ingenico shares, between (and through):

i. the first day on which Ingenico shares may be tendered to the Offer (the "**Offer Opening Date**"); and

ii. (x) if the AMF determines that the Offer has been successful, the date falling 10 business days after the publication by the AMF of the result of the Offer (or, in the case of a Reopened Offer, at the date falling 5 business days after the last day on which the Ingenico shares can be tendered to the Reopened Offer), or (y) if the AMF determines that the Offer has been unsuccessful, the date of publication by the AMF of the result of the Offer; or

iii. if waived by the Offeror, the date on which such waiver is disclosed.

This period will be referred to as the "**Tender Offer Adjustment Period**".

For the purposes of this paragraph, "**Change of Control**" means the act, by one or more natural persons or legal entities, acting alone or in concert, of acquiring control of the Company, it being specified that the notion of "control" means, for the purposes of this definition, the fact of holding (directly or indirectly through companies which are themselves controlled by the person(s) concerned) (x) the majority of the voting rights attached to Ingenico shares or (y) more than 40% of these voting rights if no other shareholder of the Company, acting alone or in concert, holds (directly or indirectly through companies controlled by such shareholder(s)) a percentage of the voting rights greater than the percentage held in this manner.

If the right to the allocation of Ingenico shares is exercised during the Adjustment Period in the event of a Tender Offer, the corresponding shares will be delivered within a maximum period of 3 business days from the date of exercise of the OCEANEs.

In the event of an adjustment, the Company will inform the holders of OCEANEs by means of a notice distributed by it and posted on its website (www.ingenico.com) no later than 5 business days after the new adjustment takes effect. This adjustment will also be the subject of a notice circulated by Euronext Paris within the same timeframe.

***Early redemption if the outstanding OCEANEs represent less than 15% of the total outstanding OCEANEs***

In accordance with the terms and conditions of the OCEANEs, the Company may, at its discretion and at any time, but subject to giving at least 30 calendar days' notice, redeem at par all of the remaining outstanding OCEANEs, if they represent less than 15% of the number of OCEANEs issued. If the Offer is successful, Worldline reserves the right to request that Ingenico carry out such early redemption in due course. Holders of OCEANEs will, however, retain the right to exercise their right to the allocation of Ingenico shares up to and including the 7th business day preceding the date set for early redemption.

***Early redemption in the event that Ingenico shares are delisted***

In accordance with the terms and conditions of the OCEANEs, the representative of the body of OCEANE bondholders may, upon the decision of the meeting of OCEANE bondholders ruling under the quorum and majority conditions provided for by law, by simple written notification to the Company, providing a copy to Société Générale Securities Services, make all of the OCEANEs payable at par, in particular in the event that the Ingenico shares are no longer admitted to trading on Euronext Paris or any other regulated market.

Consequently, this early redemption could be decided under the conditions referred to above, in the event of the implementation of a squeeze-out procedure for Ingenico shares only, in particular in the absence of early redemption of the OCEANEs before that date.

***Early redemption in the event of a Change of Control***

In the event of a Change of Control, any holder of OCEANEs may, at its discretion, request the early redemption in cash, under the conditions specified in the terms and conditions of the OCEANEs, of all or part of the OCEANEs held by it, unless the entity acquiring control of Ingenico has a rating of at least BBB- (or equivalent) from one of the rating agencies mentioned in the terms and conditions of the OCEANEs (*i.e.* (a) Standard & Poor's Rating Services, (b) Moody's Investors Services, (c) Fitch Ratings, (d) any other internationally recognized financial rating agency) and that it maintains this rating for a period of 90 calendar days following the date of the first press release announcing the Change of Control.

As of the date of the Draft Offer Document, Worldline has a BBB rating, as stated in a notice from Standard & Poor's Global Ratings dated February 3, 2020. If Worldline's rating is not downgraded during the above-mentioned period, the holders of the OCEANEs will not be able to request the early redemption of the OCEANEs following the success of the Offer, and the mechanism described in the terms and conditions of the OCEANEs in the event of a Change of Control will not be implemented.

1.3.5. Situation of the holders of Performance Shares

The Company put in place several Performance Shares allocation plans between 2017 and 2020, with certain vesting periods still ongoing as of the date of this Draft Response Document.

The beneficiaries of rights to receive Performance Shares may tender such Performance Shares in the Offer or in the Reopened Offer, provided they are fully vested and transferable.[11]

The table below presents the principal characteristics of the Performance Shares granted free of charge by the Company as of June 30, 2020:

[11] In particular in the event of the lifting of unavailability pursuant to Articles L. 225-197-1 *et seq.* of the French Commercial Code (death or disability of the beneficiary).

| Plan | Performance Shares plans | | | | | Co-investment Plans | | Total |
|---|---|---|---|---|---|---|---|---|
| | 2017-2 | 2018-1 | 2018-3 | 2019 | 2020 | 2017-1 | 2018-2 | |
| **Number of Performance Shares allocated**[12] | 70,839 | 171,310 | 21,600 | 471,361 | 321,232 | 115,710 | 226,264 | 1,398,316 |
| **Aggregate number of Performance Shares canceled or expired** | 48,887 | 70,546 | 9,900 | 62,286 | 0 | 85,106 | 87,962 | 364,687 |
| **Number of Performance Shares vested** | 6,152 | 0 | 0 | 0 | 0 | 14,274 | 0 | 20,426 |
| **Maximum number of Performance Shares that may be acquired as of June 30, 2020** | **15,800** | **100,764** | **11,700** | **409,075** | **321,232** | **16,330** | **138,302** | **1,013,203** |
| **Number of beneficiaries per plan** | 2 | 86 | 13 | 334 | 396 | 3 | 5 | 839[13] |
| **Date of the shareholders general meeting** | 04/29/2016 | | | | 06/11/2019 | 04/29/2016 | | N/A |
| **Date of allocation of the Performance Shares by the Board of Directors** | 05/10/2017<br>07/26/2017 | 05/16/2018 | 05/16/2018 | 06/11/2019 | 06/11/2019 | 05/10/2017<br>07/26/2017 | 05/16/2018 | N/A |
| **Expiry date of the vesting period of the Performance Shares** | 05/10/2020<br>06/20/2020<br>08/28/2020 | 05/16/2021 | 05/16/2021 | 06/11/2022 | 06/11/2023 | 06/20/2020<br>08/28/2020 | 05/16/2021 | N/A |

Subject to the exceptional cases of lifting the unavailability provided for by the applicable legal or regulatory provisions (death or disability of the beneficiary):

(i) for the Performance Shares granted by the Board of Directors under the 2017-1 and 2017-2 plans and which have vested, they may be tendered to the Offer or, as the case may be, to the Reopened Offer;

(ii) for the Performance Shares granted by the Board of Directors under the 2018-1, 2018-2 and 2018-3 plans (the "**2018 Performance Shares**") and the Performance Shares granted by the Board of Directors under the 2019 plan (the "**2019 Performance Shares**") and which have not yet vested, they will still be subject to a vesting period at the closing of the Offer and, as the case may be, of the Reopened Offer, and may therefore not be tendered to the Offer or, as the case may be, to the Reopened Offer;

[12] Including outperformance shares.
[13] Chiffre incluant les employés bénéficiant de plusieurs plans.

(iii) for the Performance Shares granted by the Board of Directors under the 2020 plan and which have not yet vested, they will still be subject to a vesting period at the closing of the Offer and, as the case may be, of the Reopened Offer, and may therefore not be tendered to the Offer or, as the case may be, to the Reopened Offer.

The following principles will apply if the Offer is successful:

(i) for the 2018 Performance Shares plans:

- the presence and performance conditions will be deemed satisfied pursuant to the terms of the plans as a result of the change of control resulting from the success of the Offer;

(ii) for the 2019 Performance Shares plan:

- the presence condition will remain applicable, it being specified, however, that in accordance with the terms of the 2019 Performance Shares plan, this condition will be automatically waived for the beneficiary concerned in the event of forced departure during the 18 months following the settlement and delivery of the Offer;

- with regard to performance conditions: (i) the Ingenico Board of Directors has decided that conditions relating to the achievement of revenue and EBITDA targets for the employee beneficiaries of the 2019 Performance Shares plan will be deemed satisfied, and (ii) the condition relating to the evolution of the Ingenico share price will be assessed according to a formula taking into account the variation of the Ingenico share price during a first period, and then the variation of the Worldline share price during a second period in the event of a successful offer, according to the following formula: (C) / (D),

  where:

(A) represents the difference between the average closing price of the Ingenico share over a period of 20 trading sessions following February 12, 2019 (€57.854) and the average closing price of the Ingenico share over a period of 20 trading sessions following the closing of the Offer (or, as the case may be, any shorter period between the closing of the Offer and the implementation of the squeeze-out);

(B) represents the difference between the average closing price of the Worldline share over a period of 20 trading sessions following the closing of the Offer (or, as the case may be, any shorter period between the closing of the Offer and the implementation of the squeeze-out) and the average closing price of the Worldline share over a period of 20 trading sessions following the date of the meeting of Worldline's Board of Directors called to approve the financial statements for 2021;

(C) represents: (A) + (B);

(D) represents the variation between the average of the Euro Stoxx 600 Tech index over a 20-day period following February 12, 2019 (443.518) and the average of the Euro Stoxx 600 index over a 20-day period following the closing of the 2021 financial statements by Worldline's Board of Directors.

(iii) For the 2020 Performance Shares plan (the "**2020 Plan**"):

The 2020 Plan provides that it will automatically lapse on the settlement date of the Offer subject to the condition that the Board of Directors of Worldline has adopted the implementation, on the same date, of a Worldline performance shares plan (the "**Worldline Plan for Ingenico**") for the beneficiaries of the 2020 Plan and decided that the number of Worldline performance shares granted to each of the beneficiaries of the 2020 Plan (other than those who will not be eligible for such allocation, as referred to below) is equal to the number of Performance Shares allocated to each of the beneficiaries (under the 2020 Plan) multiplied by the exchange ratio of the Secondary

Exchange Offer (subject to rounding and adjustments). It is specified as necessary that the beneficiaries of 2020 Performance Shares who will have left the Ingenico group before the settlement of the Offer will not be eligible for this allocation.

The performance conditions of the Worldline Plan for Ingenico will be aligned with the performance conditions of the Worldline performance action plans put in place in 2020, subject to taking into account, for 2020, the internal performance conditions of the 2020 Plan, to the extent possible. The presence condition of the Worldline Plan for Ingenico will be aligned with the presence condition of the Worldline plans, and will be waived in the event of forced departure during the 18-month period following settlement of the Offer. The vesting period will expire 3 years after the grant date of the 2020 Plan, *i.e.* on June 11, 2023.

If the Worldline Plan for Ingenico is not in place on the settlement date of the Offer, the 2020 Plan will remain in force, it being specified that the initial performance conditions of the 2020 Plan will be replaced *ipso facto* by the performance conditions of Worldline's performance shares plans put in place in 2020 and that the 2020 Plan will be considered as a Covered Plan (as defined below) for the purposes of the liquidity mechanism.

The beneficiaries of Performance Shares will benefit, under certain conditions, of a liquidity mechanism (as described in paragraph 1.3.6. of the Draft Response Document).

1.3.6. Liquidity Mechanism

The beneficiaries of the (i) rights to receive Performance Shares still in the vesting period on the closing date of the Offer or, if applicable, the Reopened Offer or (ii) for French tax residents (current or having been during the vesting period of the performance shares in question), 2017 Performance Shares plans (the "**Beneficiaries**") will be offered a liquidity mechanism pursuant to liquidity agreements that they will be invited to enter into individually with the Offeror.

The plans covered by the liquidity mechanism are the Performance Shares Plans 2017-1, 2017-2, 2018-1, 2018-2, 2018-3 and 2019 referred to above (together, the "**Covered Plans**"), it being specified that in the event of implementation of the squeeze-out, the liquidity mechanism will not apply to shares definitively acquired prior to its implementation (except, for French tax residents (current or having been French tax residents during the vesting period of the Performance Shares in question), with respect to the 2017 Performance Shares plans).

The liquidity agreements will automatically terminate in the event of a merger of Ingenico with the Offeror.

Under the liquidity agreements:

- The Beneficiaries will have the option to exercise a put option granted by the Offeror allowing them to transfer to the Offeror all of their Performance Shares under the Covered Plans within 60 calendar days from the first business day following the end of the vesting period of the shares (the first exercise period of the put option) and again, for French tax residents (current or having been French tax residents during the vesting period of the Performance Shares in question), in the absence of prior exercise of the put option or call option available to Worldline, within 60 calendar days from the first business day following the expiry of a period of two years following the end of the vesting period of the shares (the second period for exercising the put option) (subject to possible time lags to take account of forbearance periods), provided that on the date of exercise of the option (x) the shares of Ingenico are no longer admitted to trading on the regulated market of Euronext Paris due to the implementation of a squeeze-out or (y) the average daily trading volume on the market during the Reference Period is less than or equal to 0.07% of the share capital of Ingenico (the "**Illiquidity Conditions**"); the "Reference Period" means the period of 20 trading sessions preceding the date on which this Illiquidity Condition is assessed; and

- The Offeror will have a call option granted by the Beneficiaries, pursuant to which, in the absence of prior exercise of the put option by the Beneficiaries concerned, it may acquire all of the Performance Shares under the Covered Plans of such Beneficiaries within (i) for French residents (current or former French residents during the vesting period of the Performance Shares in question), commencing on the first business day following the expiry date of the first period for exercising the above-mentioned put option and expiring on the 120th calendar day following the expiry of a period of two years after the end of the vesting period of the shares concerned (with the exception, however, of the second period for exercising the put option referred to above) and (ii) in other cases, of 60 calendar days from the first business day following the end of the first exercise period of the put option.

In the event of exercise of the aforementioned put or call option, the Beneficiary will receive, in exchange for its Ingenico shares, a number of Worldline shares calculated by applying the exchange ratio applicable in the Secondary Exchange Offer, subject to fractional shares (which will be paid in cash) and adjustments to take into account transactions affecting the share capital of the Company or of Worldline. The Offeror will have the option to tender existing shares or newly issued shares.

However, for Beneficiaries located in countries where the delivery of Worldline shares would be prohibited or would require compliance with a registration or prospectus requirement or would result in significant additional tax or social security costs for Worldline or if Worldline would not, in due course, have the necessary authorizations to allow it to deliver Worldline shares to the relevant Beneficiaries, the Offeror will have the option to deliver, in lieu of the Worldline Shares, an amount in cash corresponding to the equivalent value of the Worldline Shares expected to be delivered, based on the average of the opening trading prices of the Worldline Shares on Euronext Paris over the 20 trading days preceding the date of exercise of the put option or call option, as the case may be. Until the exercise of the put or call option, the beneficiaries will make certain commitments, including the commitment to vote in favor of any reorganization operations that may be submitted to the Ingenico shareholders' meeting (such as, in particular, a possible transformation of the Company into a simplified joint stock company or any intra-group mergers or asset contributions).

The following is a reminder of the conditions for the departure of Nicolas Huss, Chief Executive Officer of Ingenico, provided for in the compensation policy as described in section 3.3.1.1.1 of Ingenico's universal registration document filed with the AMF on 24 April 2020 under number D.20-0347, approved by the shareholders' meeting of 11 June 2020.

It is reminded that Nicolas Huss has been granted in this capacity 34,000 shares under the 2019 Performance Shares plan and 30,000 shares under the 2020 Plan. In accordance with Nicolas Huss' compensation policy as described in section 3.3.1.1.1 of Ingenico's universal registration document filed with the AMF on 24 April 2020 under number D.20-0347, approved by the shareholders' meeting of 11 June 2020, Nicolas Huss will retain the benefit of all of his Performance Shares.

The same principles as those set forth in paragraph 1.3.5 above shall be applied to all beneficiaries with respect to the Performance Shares they benefit from, in particular with respect to the application of the conditions of presence, it being specified, however, that, in accordance with its decision prior to the General Meeting of 11 June 2019, its Performance Shares shall remain subject to the satisfaction of performance conditions under the plans concerned. It will also be offered to enter into the liquidity contracts referred to in this paragraph 1.3.6.

Nicolas Huss will leave the group on the date of settlement of the Offer in the event that the Offer is successful. It is recalled that Nicolas Huss has resigned, following the general shareholders' meeting called to approve the financial statements for the financial year 2019, from his employment contract, which had been suspended at the time of his appointment as Chief Executive Officer on 5 November 2018.

In this respect, he is expected to receive a severance payment in the event of a forced departure linked to a change of control, as authorized by Ingenico's Board of Directors on 25 February 2019 and approved by the Combined General Meeting of 11 June 2019 and by the Combined General Meeting of 11 June 2020.

The calculation methods are detailed in section 3.3.1.1.1 of Ingenico's universal registration document filed with the AMF on 24 April 2020 under number D.20-0347.

1.3.7. Conditions at closing of the Offer

1.3.7.1. Caducity threshold

Pursuant to the provisions of Article 231-9, I of the AMF's General Regulations, the Offer will lapse if, at its closing date, the Offeror, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code, does not hold a number of Ingenico shares representing more than 50% of the share capital or voting rights of the Company (this threshold being hereinafter referred to as the "**Caducity Threshold**"). The determination of this threshold follows the rules set out in Article 234-1 of the AMF General Regulation.

It will not be known whether the Caducity Threshold has been reached until the AMF has published the final or, where applicable, provisional result of the Offer.

If the Caducity Threshold (as calculated above) is not reached, the Offer will not be successful and the securities tendered to the Offer will be returned to their owners within three (3) trading days from the publication of the result notice announcing the caducity of the Offer, without any interest, indemnity or other payment of any kind whatsoever being due to said owners.

1.3.7.2. Acceptance Threshold

The Draft Offer Document indicates that, in accordance with Article 231-9, II. of the AMF General Regulation, and without prejudice to in the provisions of paragraph 1.3.7.1 above, the Offeror reserves the right, until the date of publication of the final result of the Offer by the AMF, to withdraw the Offer if the threshold of 60% of the share capital of the Company, on a fully diluted basis, is not reached (the "**Acceptance Threshold**").

For the purposes of calculating the Acceptance Threshold, the following will be taken into account:

(i) the numerator will include all the shares of the Company held by the Offeror, alone or in concert, directly or indirectly, on the closing date of the Offer (including treasury shares held or controlled by the Company and those issued under Performance Shares plans or due to the exercise of OCEANEs), with the shares tendered in the Offer being considered as already held by the Offeror on the closing date of the Offer notwithstanding the non-implementation, on such date, of the settlement operations relating to the Offer;

(ii) the denominator will include all of the shares making up the share capital of the Company on a fully diluted basis on the closing date of the Offer, including any shares that may be issued under Performance Shares plans and OCEANEs.

It will not be known whether the Acceptance Threshold is reached until the AMF publishes the final result of the Offer after its completion. In accordance with Article 231-9, II of the AMF General Regulation, if the Acceptance Threshold is not reached, the Offeror indicated in the Draft Offer Document that it would reserve the right, until the date on which the AMF publishes the final result of the Offer, to withdraw the Offer. In the event that the Offeror exercises such right, the securities tendered in the Offer will be returned to their holders without any interest, indemnification or other payment of any nature whatsoever being due to such holders.

The Draft Offer Document indicates that the Offeror reserves the right to waive or lower the Acceptance Threshold by filing a superior offer no later than five (5) trading days before the closing of the Offer, in accordance with Articles 232-6 and 232-7 of the AMF General Regulation.

The Draft Offer Document also indicates that the Offeror reserves the right to waive this Acceptance Threshold until the date of publication by the AMF of the final result of the Offer. In this case, subject to the Offer having been successful in reaching the Caducity Threshold, the Offeror will have acquired the majority of the Company's share capital.

1.3.7.3. Merger Control Clearance

In accordance with Article 231-11 of the AMF General Regulation, the Offer is conditioned upon obtaining merger control clearance from the European Commission, in accordance with Article 6.1.b) of EC Regulation No. 139/2004 of January 20, 2004 (the "**Competition Clearance**"); it being specified that the Offeror reserves the right to waive this condition.

The AMF will set the closing date of the Offer as soon as the abovementioned clearances or confirmation that there is no objection to such clearances have been obtained.

In accordance with Article 231-11 of the AMF General Regulation, the Offer will automatically lapse if the combination is the subject of the European Commission procedure provided in Article 6.1.c) of EC Regulation No. 139/2004 of January 20, 2004.

The pre-notification has been filed with the European Commission on March 16, 2020.

In addition, the transaction has already obtained merger control clearance from:

(i) the competition authority in the United States (*United States Federal Trade Commission*) on April 14, 2020;

(ii) the competition authority in Turkey (*Turkish Competition Authority*) on April 30, 2020; and

(iii) the Russian competition authority (*Federal Antimonopoly Service*) on June 17, 2020.

1.3.7.4. Regulatory Approvals

As of the date of this Draft Response Document, the operation has already been authorized by the competent regulatory authorities, *i.e.*:

(i) the competent financial supervisory authority in Belgium (*National Bank of Belgium – NBB*) on May 6, 2020;

(ii) the competent financial supervisory authority in Sweden (*Swedish Financial Supervisory Authority – SFSA*) on June 3, 2020;

(iii) the competent financial supervisory authority in the Netherlands (*De Nederlandsche Bank – DNB*) on June 4, 2020;

(iv) the competent financial supervisory authority in Germany (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) on June 8, 2020;

(v) the competent financial supervisory authority in Finland (*Finland Financial Supervisory Authority - FFSA*) on June 17, 2020;

(vi) the competent authority in the New Zealand under foreign investment control regulations (*New Zealand Overseas Investment Office*) on June 17, 2020;

(vii) the competent authority in the United States under foreign investment control regulations (*Committee on Foreign Investment in the United States – CFIUS*) on June 25, 2020.

The opening of the Offer is therefore not subject to obtaining regulatory approvals under the provisions of Article 231-32 of the AMF's General Regulations.

Ingenico e-Commerce Solutions Ltd ("**IeCS**"), a subsidiary of Ingenico, has applied to the Financial Conduct Authority ("**FCA**") in the United Kingdom to be authorized to operate in the UK. as a *limited permission consumer credit firm*, in order to be able to offer payment terminals for rent as part of the development of its offers in the United Kingdom. If such authorization were to be obtained before the settlement date of the Offer, Worldline will be required to obtain FCA approval for the indirect change of control of IeCS. Worldline has already approached the FCA in this regard; obtaining of such authorization by Worldline is not a condition to the opening of the Offer.

### 1.4. Terms of the Offer

The proposed Offer was filed with the AMF on July 8, 2020. A notice relating to the filing will be published by the AMF published a notice of filing on its website (www.amf-france.org).

In accordance with Article 231-26 of the AMF General Regulation, this Draft Response Document, as filed with the AMF, is available to the public free of charge at the registered office of the Company, as well as online on the websites of the AMF (www.amf-france.org) and Ingenico (www.ingenico.com).

In addition, the press release containing the main information of this Draft Response Document was published by the Company on July 8, 2020.

The Offer, the Draft Offer Document and the Draft Response Document remain subject to review by the AMF.

The AMF will publish on its website a reasoned clearance decision with respect to the Offer after having verified that the Offer complies with applicable laws and regulations. Such clearance decision will constitute approval ("*visa*") of the offer document and the response document.

The response document approved by the AMF as well as the information relating in particular to the legal, financial and accounting characteristics of the Company, will be made available to the public, in accordance with Article 231-28 of the AMF General Regulation, by the Company, no later than the day preceding the opening of the Offer. Such documents will also be available on the websites of the AMF and Ingenico. A press release indicating how such documents will be made available will be issued no later than the day preceding the opening of the Offer.

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening of the Offer and its timeline, and Euronext Paris will publish a notice announcing the terms and timeline of the Offer.

### 1.5. Procedure for tendering in the Offer

On the basis of the tentative timetable set out in paragraph 1.8 of this Draft Response Document, the Offer would be open for a period from July 24, 2020 to the end of September 2020.

The Ingenico shares and OCEANEs tendered in the Offer (and, if applicable, in the Reopened Offer) must be freely tradeable and free of all liens, pledges or other sureties or restrictions of any nature whatsoever restricting the free transfer of their ownership. The Offeror reserves the right to reject any tendered Ingenico share or OCEANE that does not comply with this condition.

The shareholders or holders of Ingenico OCEANEs whose Ingenico shares or OCEANEs are held through a financial intermediary (credit institution, investment company, etc.) and who wish to tender their Ingenico shares or OCEANEs in the Offer must deliver to their financial intermediary, no later than the closing date of the Offer (unless otherwise instructed by the registrar), a tender order in the form made available to them by their intermediary.

In accordance with Article 232-2 of the AMF General Regulation, orders to tender Ingenico shares or OCEANEs in the Offer may be revoked at any time, including up until the closing date of the Offer. After that date, orders will be irrevocable.

Shareholders or holders of Ingenico OCEANEs whose Ingenico shares or OCEANEs are recorded in "pure" registered form ("*nominatif pur*") in the account register of the Company, held by CACEIS Corporate Trust, may request that their shares be converted into "administrative" registered form ("*nominatif administré*") in order to tender their shares in the Offer, unless they have already requested their conversion to bearer form ("*au porteur*") (unless otherwise instructed by the registrar). The Company reminds shareholders that any shareholder who expressly requests conversion of their shares into bearer form will lose the advantages of holding shares in registered form if the Offer does not succeed.

The Offer and all of its related agreements are governed by French law. Any dispute or conflict, whatever its purpose or grounds, relating to the Offer will be brought before the competent courts.

No commission will be paid by the Offeror to the financial intermediaries through whom the shareholders tender their shares in the Offer.

### 1.6. Centralization of tender orders

The centralization of orders to tender Ingenico shares or OCEANEs in the Offer and the Reopened Offer will be carried out by Euronext Paris.

Each financial intermediary and the registrar that holds the registered accounts for the Ingenico shares or OCEANEs will, on the date indicated on the notice published by Euronext Paris, transfer to Euronext Paris the Ingenico shares or OCEANEs for which it has received a tender order.

Following receipt by Euronext Paris of all orders to tender in the Offer in accordance with the above terms, Euronext Paris will centralize all of the orders and determine the outcome of the Offer.

### 1.7. Publication of the results of the Offer and settlement

Pursuant to Article 232-3 of its General Regulation, the AMF will announce the final result of the Offer no later than nine (9) trading days after the closing of the Offer. If the AMF observes the Offer is successful, Euronext Paris will indicate in a notice the date and procedures for the settlement of the Offer.

The Ingenico shares and OCEANEs tendered in the Offer and all rights attached thereto will be transferred to the Offeror on the settlement date of the Offer mentioned in the Euronext Paris notice.

The settlement transactions will be handled by Euronext Paris.

No interest will be due for the period running from the date of the tendering of shares in the Offer through the date of settlement of the Offer.

### 1.8. Tentative timetable for the Offer

Prior to the opening of the Offer, the AMF will publish a notice announcing the opening and timetable of the Offer, and Euronext Paris will publish a notice announcing the terms and the timetable of the Offer.

The tentative timetable of the Offer, as set out in the Draft Offer Document, is set forth below. It remains subject to AMF approval:

| Dates | Main steps of the Offer |
|---|---|
| July 8, 2020 | - Offeror's Draft Offer Document filed with the AMF<br>- Offeror's Draft Offer Document posted on the websites of the Offeror (www.fr.worldline.com) and of the AMF (www.amf-france.org)<br>- Offeror's Draft Offer Document made available to the public at the registered offices of the Offeror and of the Presenting Banks<br>- Publication of the press release announcing the filing and the availability of the Offeror's Draft Offer Document |
| | - Filing with the AMF of the Company's draft reply document, including the reasoned opinion of the Company's Board of Directors, the opinion of its competent employee representative body and the report of the Independent Expert<br>- Company's draft reply document posted on the websites of the Company (www.ingenico.com/fr) and of the AMF (www.amf-france.org)<br>- Company's draft reply document made available to the public at the Company's registered office<br>- Publication of press release announcing the filing and the availability of the Company's draft reply document |

| Dates | Main steps of the Offer |
|---|---|
| July 21, 2020 | - Publication of the AMF's clearance decision with respect to the Offer, constituting approval ("*visa*") of the Offeror's offer document<br>- Offeror's approved offer document posted on the websites of the Offeror (www.fr.worldline.com) and of the AMF (www.amf-france.org) and made available to the public at the registered offices of the Offeror and of the Presenting Banks<br>- Publication of the press release announcing the availability of the Offeror's approved offer document<br>- AMF approval (*visa*) of the Company's reply document<br>- Company's reply document posted on the websites of the Company (www.ingenico.com/fr) and of the AMF (www.amf-france.org) and made available to the public at the Company's registered office<br>- Publication of the press release announcing the availability of the Company's reply document |
| July 23, 2020 | - Information relating in particular to the legal, financial and accounting characteristics of the Offeror posted on the websites of the Offeror (www.fr.worldline.com) and of the AMF (www.amf-france.org) and made available to the public at the registered office of the Offeror and the Presenting Banks<br>- Publication of the press release announcing the availability of the information relating to the legal, financial and accounting characteristics of the Offeror<br>- Information relating in particular to the legal, financial and accounting characteristics of the Company posted on the websites of the Company (www.ingenico.com/fr) and of the AMF (www.amf-france.org) and made available to the public at the registered office of the Company<br>- Publication of the press release announcing the availability of the information relating to the legal, financial and accounting characteristics of the Company<br>- Determination by the AMF of the Offer timetable<br>- Publication by the AMF of the notice announcing the opening of the Offer<br>- Publication by Euronext Paris of the notice relating to the Offer and its terms |
| July 24, 2020 | - Opening of the Offer |
| Second half of September and no later than September 30 | - Estimated date for obtaining the European Commission's merger control clearance |
| Late September 2020 | - Closing of the Offer |
| Late September 2020 | - Notice announcing the result of the Offer published by the AMF |
| Late September 2020 | - In the event the Offer is successful, opening of the Reopened Offer |
| Late September 2020 | - In the event the Offer is successful, settlement of the Offer |
| Early October 2020 | - Closing of the Reopened Offer |
| Early October 2020 | - Notice announcing the result of the Reopened Offer published by the AMF |
| Mid-October 2020 | - Settlement of the Reopened Offer |
| Mid-October 2020 | - Implementation of the squeeze-out, if applicable |

### 1.9. Possibility of withdrawing the Offer

In accordance with Article 232-11 of the AMF General Regulation, the Offeror may withdraw its Offer within five (5) trading days following the publication of the timetable for a competing offer or a superior competing offer. It must inform the AMF of its decision, which is made public.

It may also withdraw its Offer if the Offer no longer serves its intended purpose, or if the Company adopts measures that modify its substance, either during the Offer or in the event that the Offer is successful, or if measures adopted by Ingenico increase the costs of the Offer for the Offeror. It may only exercise such right with the prior authorization of the AMF, which will make its decision based on the principles set forth in Article 231-3 of the AMF General Regulation.

In the event of a withdrawal, Ingenico securities tendered in the Offer will be returned to their owners without any interest, indemnification or other payment being due.

### 1.10. Reopening of the Offer

In accordance with Article 232-4 of the AMF General Regulation, if the Offer is successful, it will be automatically reopened within ten (10) trading days following the publication of the final result of the Offer, under terms identical to those of the Offer. The AMF will publish the timetable for the reopening of the Offer, which will remain open for at least ten (10) trading days (the "**Reopened Offer**").

If the Offer is reopened, the tender process and order centralization for the Reopened Offer will be identical to those applicable to the Offer described in paragraphs 1.5 and 1.6 of the Draft Offer Document and in paragraphs 1.5 and 1.6 of the Draft Response Document, it being specified that orders to tender in the Reopened Offer will be irrevocable.

However, the Draft Offer Document indicates that the Offeror reserves the right, in the event that it is able and decides to implement a squeeze-out directly following the Offer under the conditions described in paragraph 1.3.6 of the Draft Offer Document and in paragraph 1.12.1 of the Draft Response Document, to request the AMF to implement such a squeeze-out within ten (10) trading days from the publication of the notice of the outcome of the Offer. In such a case, the Offer would not be reopened.

The Reopened Offer and all of its related agreements are governed by French law. Any dispute or conflict, whatever its purpose or grounds, relating to this Offer will fall within the jurisdiction of the competent courts.

### 1.11. Offer restrictions outside of France

The Offeror indicated that neither the Draft Offer Document nor any other document relating to the Offer constitutes an offer to buy or sell financial instruments or a solicitation of an offer in any country in which such offer or solicitation would be illegal, or to any person to whom such an offer cannot legally be made. The shareholders of the Company and the holders of Ingenico OCEANEs located outside of France may participate in the Offer only to the extent that such participation is authorized by the local law to which they are subject.

The distribution of the Draft Offer Document, the Draft Response Document and of any document relating to the Offer or to participation in the Offer may be subject to legal restrictions in certain jurisdictions.

The Offer is not being made to persons subject directly or indirectly to such restrictions, and may not in any way be the subject of an acceptance from a country in which the Offer is subject to restrictions.

Those who come into possession of the Draft Offer Document or the Draft Response Document must inform themselves of the applicable legal restrictions and comply with them. A failure to comply with legal restrictions may constitute a violation of applicable stock exchange laws and regulations in certain jurisdictions. The Offeror will not be liable for the violation of applicable legal restrictions by any person.

**United States**

The Worldline shares to be issued as consideration in connection with the Offer have not been and will not be registered under the provisions of the United Securities Act of 1933, as amended (the "**Securities Act**"**),** or with any state or other United States financial market supervisory authority and may not be offered, sold, pledged, delivered or otherwise transferred within or into the United States, except pursuant to an exemption from the registration requirements of the Securities Act or a transaction not subject to the registration requirements of the Securities Act, and in accordance with any applicable state securities laws.

The Worldline shares to be issued under the Offer are being offered in exchange for existing Ingenico shares or OCEANEs (a) in the United States to a limited number of "qualified institutional buyers"*,* or "*QIBs*"*,* as such term is defined in Regulation 144A under the Securities Act, in accordance with the exemption from registration provided for private placements under Section 4(a)(2) of the Securities Act and (b) outside the United States only in reliance on Regulation S under the U.S. Securities Act in "offshore transactions", as defined in, and in accordance with, such Regulation S. Any person in the United States to whom Worldline shares are offered will be required to represent, warrant and agree that he or she is a "qualified institutional buyer", as that term is defined in Regulation 144A under the Securities Act, and to sign and deliver an investor letter addressed to Worldline using the form available from Worldline together with the offer instructions.

Therefore, with the exception of the Worldline Shares to be issued in connection with the Offer to QIBs, in accordance with the preceding paragraph:

- Ingenico shareholders and holders of Ingenico OCEANEs in the United States may not tender their Ingenico shares or OCEANEs (or any existing unsponsored American Depositary Receipt) in the Offer.

- No communication relating to the Offer or any invitation to participate in the Offer may be addressed to the United States or to persons who reside or are present in the United States.

- Neither the Draft Offer Document or the Draft Response Document, nor any other document relating to the Offer may be distributed or disseminated by an intermediary or any other person in the United States.

- Envelopes containing the tender orders should not be postmarked in the United States or otherwise dispatched from the United States, and all persons exchanging Ingenico shares or OCEANEs for Worldline shares and wishing to hold such Worldline shares in registered form must provide an address for registration of the Worldline shares that is outside the United States.

- At the time of a person's decision to tender the Ingenico shares or OCEANEs to the Offer, a person receiving the offer document or the response document will be deemed to represent that he or she (i) did not receive in the United States a copy of the offer document or the response document, any other offer document or document relating to the Offer of the Worldline Shares nor any exercise form or information, (ii) at the time of tender, is located outside the United States and is not acting on behalf of a person located in the United States, and (iii) is acquiring the Worldline shares outside the United States in an "offshore transaction", as that term is defined in Regulation S under the Securities Act.

Authorized financial intermediaries may not accept tenders of Ingenico Shares or OCEANES if they reasonably believe that they do not conform to the provisions mentioned above, and in particular may not accept tenders of Ingenico shares or OCEANEs made by clients who are present in the United States or have an address in the United States, subject to certain exceptions described in a U.S. private placement memorandum for QIBs.

Any incomplete tender order or tender order that does not meet these requirements shall be null and void.

In addition, until the expiration of a period of forty (40) days after the settlement of the offer for the Worldline shares in exchange for the existing Ingenico shares or OCEANEs, an offer to sell or sale of Worldline shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the Securities Act.

### 1.12. Intentions to maintain the Company's listing following the Offer

#### 1.12.1. Mandatory squeeze-out

The Draft Offer Document indicates that in the event that, following the Offer or, if applicable, the Reopened Offer:

- the number of shares not tendered in the Offer or, if applicable, the Reopened Offer by the minority shareholders of Ingenico does not represent more than 10% of the share capital and voting rights of Ingenico; and

- the numbers of shares not tendered in the Offer or, if applicable, the Reopened Offer, by the minority shareholders of Ingenico and the number of Ingenico shares likely to be issued following the conversion of the Ingenico OCEANEs not tendered in the Offer or, if applicable, the Reopened Offer, does not represent more than 10% of the sum of the existing Ingenico shares and the Ingenico shares that may be created as a result of the conversion of the Ingenico OCEANEs,

Worldline intends, within a period of ten (10) trading days from the publication of the notice announcing the result of the Offer or, if applicable, at the latest within three (3) months following the closing of the Reopened Offer, in accordance with Article L. 433-4 II of the French Monetary and Financial Code and Articles 232-4 and 237-1 to 237-10 of the AMF General Regulation, to implement a squeeze-out tin order to be transferred, on the one hand, the Ingenico shares not tendered to the Offer or, as the case may be, to the Reopened Offer against compensation equal to the price of the secondary cash offer (*i.e.* €123.10 per Ingenico share), net of all costs and after adjustments if any, and, on the other hand, the OCEANEs not tendered in the Offer or, if applicable, the Reopened Offer in exchange for compensation equal to the OCEANEs cash offer price (*i.e.* €179 per Ingenico OCEANE), net of all costs and after adjustments, where applicable.

Furthermore, in the event that the conditions required to implement a squeeze-out in respect of Ingenico shares would be met, but that those required to implement a mandatory squeeze-out for the Ingenico OCEANEs would not be, Worldline intends to implement a mandatory squeeze-out for the Ingenico shares under the terms and conditions of time and indemnity set out above on condition that Ingenico is able to exercise an option for early redemption of OCEANEs, in accordance with the terms and conditions of the OCEANEs (in particular in the event that the number of Ingenico OCEANEs remaining in circulation, other than those held by Worldline at the end of the Offer or, as the case may be, of the Reopened Offer, is less than 15% of the OCEANEs issued[14]) (it being specified that Worldline reserves the right to waive this condition). It is reminded that, in accordance with paragraphs I and III of Article 237-3 of the AMF's General Regulation, if the Offeror requests the implementation of a squeeze-out with respect to the Ingenico shares and/or OCEANEs (in accordance with the intentions expressed pursuant to this paragraph), the AMF will not rule on the compliance of such squeeze-out.

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[14] Worldline reserves the right to ask Ingenico to proceed with the early redemption of the Ingenico OCEANEs in accordance with the terms and conditions of the said OCEANEs (see paragraph 1.3.4.2 below).

The Draft Offer Document also indicates that in the event that the Offeror is unable to implement a squeeze-out following the Offer or the Reopened Offer, the Offeror reserves the right to file a tender offer proposal, followed, if applicable, by a squeeze-out in respect of the Ingenico shares and/or the Ingenico OCEANEs that it does not hold directly or indirectly or in concert at that date. In this context, the Offeror may decide to increase its shareholding in the Company following the Offer and prior to the filing of a new offer in accordance with the applicable legal and regulatory provisions. In this case, the tender offer will be subject to approval by the AMF, which will rule on its compliance in light of the report of the independent expert that will be appointed in accordance with the provisions of Article 261-1 I and II of the AMF General Regulation.

1.12.2. Merger - reorganization

The Draft Offer Document indicates that the Offeror reserves the right to effect a merger of the Company (or other Ingenico group entities) with itself or other Worldline group entities, or any transfer of assets or business, including by way of contribution or assignment, between the Company (or other Ingenico group entities) and the Offeror (or any Worldline group entity). The Offeror also reserves the right to carry out any other reorganization of the Company (or other Ingenico group entities).

## 2. REASONED OPINION FROM THE BOARD OF DIRECTORS

### 2.1. Composition of the Board of Directors and of the *ad hoc* supervision committee

The Ingenico Board of Directors is currently composed of 12 members as follows:

- Mr. Bernard Bourigeaud (Chairman of the Board of Directors) ;
- Mr. Nicolas Huss (Chief executive officer) ;
- Mrs. Agnès Audier * ;
- Mrs. Diaa Elyaacoubi * ;
- Mr. Arnaud Lucien ** ;
- Mr. Xavier Moreno ;
- Mrs. Caroline Parot * ;
- Mrs. Nazan Somer Özelgin * ;
- Mr. Thierry Sommelet * ;
- Mrs. Sophie Stabile * ;
- Mr. Michael Stollarz ;
- Mr. Elie Vannier.

* Independent members
** Employee representative

Moreover, pursuant to Article 261-1, III of the AMF General Regulation and recommendation n° 2006-15 on independent expert appraisal in the context of financial transactions, the Board of Directors, in its meeting of January 13, 2020, created an *ad hoc* committee for the purpose of:
- proposing the name of an Independent Expert to the Board of Directors;
- monitoring the work of the Independent Expert; and
- preparing a draft reasoned opinion on the merits and consequences of the Offer for the Company, its shareholders and its employees.

The *ad hoc* committee was made up of five Board members of which three are independent:

- Mrs. Agnès Audier ;
- Mr. Bernard Bourigeaud (Chairman of the Board of Directors) ;
- Mr. Xavier Moreno[15] ;

[15] Pursuant to the Afep-Medef Governance Code, Xavier Moreno lost his status as an independent Board member due to the fact that the total duration of his mandate within the Company exceeded 12 years on March 14, 2020.

- Mrs. Caroline Parot ; and
- Mr. Thierry Sommelet.

## 2.2. Reasoned opinion of the Board of Directors

In accordance with the provisions of Article 261-1, III of the AMF General Regulation, the members of the *ad hoc* committee met on July 6, 2020, in order to examine the Offer and establish a draft reasoned opinion on the merits and consequences of the Offer for the Company, its shareholders and its employees.

In accordance with the provisions of Article 231-19 of the AMF General Regulation, the members of the Board of Directors of the Company, convened and chaired by Mr. Bernard Bourigeaud as Chairman of the Board of Directors, met on July 7, 2020, in order to issue a reasoned opinion based on the draft prepared by the *ad hoc* committee on July 6, 2020. The Board of Directors therefore adopted unanimously a reasoned opinion matching the draft prepared by the *ad hoc* committee.

All members of the Board of Directors were present by visio-conferencing.

The deliberations of the Board of Directors containing its reasoned opinion are copied hereunder.

- ***Reminder of the context of the Offer***

*The Chairman reminded the members of the Board of Directors that this meeting had been convened today notably in order to issue a reasoned opinion on the merits, for the Company, its shareholders and its employees, of the proposed tender offer, followed, as the case may be, by a squeeze-out (retrait obligatoire), made by Worldline, a French société anonyme having its registered office at 80 quai Voltaire, 95879 Bezons, France, registered with the companies registry of Pontoise under number 378 901 946 ("**Worldline**" or the "**Offeror**"), for all of the shares issued or to be issued prior to the closing date of the offer (the "**Shares**") as well as for all of the outstanding bonds convertible into or exchangeable for Shares (obligations convertibles ou échangeables en Actions) due June 26, 2022 (the "**OCEANEs**") not held by the Offeror on the date of filing by the Offeror of the proposed offer (the "**Offer**").*

*The Shares and the OCEANEs are collectively referred to as the "**Company Securities**".*

*The Chairman reminded those present that the Offer follows the Offeror's indicative offer dated January 12, 2020, further to which the Board of Directors decided, at its meeting held on January 13, 2020, in accordance with article 261-1, III, of the General Regulations of the French Financial Markets Authority (Autorité des Marchés Financiers) (the "**AMF Regulations**") and AMF recommendation no. 2006-15 relating to the independent expert's role with respect to financial transactions, to set up an ad hoc committee, comprising Ms. Agnès Audier, Mr. Xavier Moreno, Ms. Caroline Parot, Mr. Thierry Sommelet – independent board members[16] – and Mr. Bernard Bourigeaud, Chairman of the Board of Directors, in order to:*

- *propose the appointment of an independent expert;*

- *supervise the independent expert's assignments in relation to the Offer by ensuring the expert is able to duly carry out their assignment and the tasks the expert must carry out, notably by ensuring access to the information necessary for them to carry out their assignment;*

- *be in regular contact with the independent expert as they carry out their assignments; and*

- *prepare a draft reasoned opinion on the merits and the consequences of the Offer for the Company, the shareholders, the holders of OCEANEs and the employees, with a view to issuing a recommendation to the Board of Directors,*

[16] In accordance with the Afep-Medef Code, Xavier Moreno ceased to qualify as an independent board member on May 14, 2020 to the extent that he had held the office as board member of the Company for more than 12 years.

*hereinafter referred to as the "**Ad hoc Committee**".*

*From among the independent experts which regularly work on transactions of this type, on 2 February 2020, the Ad hoc Committee selected, within the scope of its mission, the firm Ledouble, notably in view of this firm's experience on similar assignments and the composition and the qualifications of the members of the team; it can be noted that the firm Ledouble had confirmed that they were independent in accordance with the applicable regulatory provisions.*

*The Board of Directors thus decided, at its meeting held on February 2, 2020, further to a proposal from the Ad hoc Committee, to appoint the firm Ledouble, represented by Ms. Agnès Piniot, as independent expert (the "**Independent Expert**") charged with preparing a report on the terms and conditions of the Offer and of the squeeze-out in accordance with articles 261-1, I. 4° and 5° and II. of the AMF Regulations.*

*The Ad hoc Committee provided the Independent Expert with a letter specifying the regulatory basis of their appointment as well as the identified potential conflicts of interest. That letter is annexed to the Expert Independent's report.*

*Lastly, the Chairman reminded those present that the Board of Directors, at its meeting held on February 2, 2020, after having heard the Company's advisors on the terms of the Offer, unanimously decided to endorse the Offer and authorized the signature on the same day of the combination agreement (accord de rapprochement) between the Company and Worldline which sets out the conditions for completion of the Offer and lays down certain principles for cooperation between the Company and Worldline (the "**Combination Agreement**").*

*The Chairman pointed out that the filing of the Offer is subject to several conditions precedent, including notably the provision of a reasoned opinion of the Company's Board of Directors recommending to the Company's shareholders and holders of OCEANEs to tender their Company Securities into the Offer.*

- ***Essential documents submitted to the Board of Directors for it to produce its reasoned opinion***

*The Chairman indicated to the Board of Directors that, pursuant to article 231-19 of the AMF Regulations and the Combination Agreement, it should issue a reasoned opinion on the merits of the Offer and on its consequences for the Company, the shareholders, the holders of OCEANEs and the employees. He proposed to the Board of Directors that they take note of the essential documents relating to the Offer, namely:*

- *the Combination Agreement, which notably includes the main terms and conditions of the Offer;*
- *the opinion of the Company's Social and Economic Committee dated March 12, 2020;*
- *the Independent Expert's report dated July 6, 2020;*
- *the draft reasoned opinion of the Ad hoc Committee dated July 6, 2020;*
- *the draft offer document (projet de note d'information) prepared by the Offeror (the "**Draft Offer Document**") which contains notably the background to, and the rationale behind, the Offer, the Offeror's intentions for the next 12 months, the information used to determine the price of the Offer and which was prepared by BNP Paribas, Morgan Stanley Europe SE, Natixis and Société Générale (the "**Sponsoring Banks**") as well as the summary of the main agreements relating to the Offer; and*
- *the draft response document (projet de note en réponse) prepared by the Company (the "**Draft Response Document**").*

*The Chairman reminded the members of the Board of Directors of the terms of the Offer, as set out in the Draft Offer Document provided by the Offeror.*

- ***Reminder of the main features of the Offer***

*After having taken note of the essential documents relating to the Offer mentioned above and the additional information which has been presented to it, the Board of Directors noted that:*

- *the Offeror, as at today's date, does not directly or indirectly hold any Shares or OCEANEs;*

- *the Offer is a voluntary offer and will be carried out following the ordinary procedure as provided for in articles 231-1 et seq. of the AMF Regulations;*

- *the Offer is subject to the following conditions precedent:*

  - *<u>Offer success threshold</u>: the Offer shall lapse if, on the closing date of the Offer, the Offeror does not hold a number of Shares representing more than 50% of the capital or voting rights in the Company;*

  - *<u>Offeror's withdrawal right threshold</u>: the Offeror reserves the right, until the day of publication by the AMF of the final outcome of the Offer, to withdraw the Offer if the threshold of 60% of the Company's share capital, on a fully-diluted basis, is not achieved;*

  - *<u>Regulatory clearance</u>: the transaction received clearance (i) with respect to foreign investment control, from the relevant authority in the United States on June 25, 2020 and in New Zealand on June 17, 2020, and (ii) with respect to banking regulation, from the relevant authority in Belgium on March 6, 2020, in Sweden on June 3, 2020, in the Netherlands on June 4, 2020 and in Germany on June 8, 2020; the opening of the Offer is not subject to any condition relating to the obtaining of regulatory approval;*

  - *<u>Antitrust clearance</u>: the Offer is subject to the transaction receiving clearance, with respect to merger control, from the European Commission pursuant to article 6.1.b) of Regulation (EC) no. 139/2004 of January 20, 2004. In addition, the Offer has already received antitrust clearance from the competition authority in the United States on April 14, 2020, from the competition authority in Turkey on April 30, 2020 and from the competition authority in Russia on June 17, 2020.*

- *the Offer is made up of (i) a primary cash and share mixed offer (offre publique mixte) for the Shares, together with a secondary cash offer (offre publique d'achat) and a secondary exchange offer (offre publique d'échange), and (ii) an alternative public offer for the OCEANEs subdivided into a cash only component and a cash and shares mixed component, it being understood that the Offer for the Shares includes a proration adjustment mechanism (mécanisme de réduction) such that the proportion of Worldline shares and cash received by the Company's shareholders tendering their Shares into one of or a combination of the secondary offers within the Offer is equal to the proportion of Worldline shares and cash offered in the primary offer, i.e. 81% in Worldline shares and 19% in cash[17];*

- *the Offeror has received a commitment from Bpifrance Participations that it will tender 3,384,971 Shares (i.e., approximately 5.31% of the Company's share capital);*

[17] The percentages and ratio shown are rounded off. The exact percentages are determined by the ratio of the cash component of the primary mixed offer, i.e., €160.50, to the Worldline share component of the primary mixed offer, i.e., 11 Worldline shares multiplied by €63.75 (based on Worldline's closing price on January 31, 2020).

- *the joint venture currently controlled by the Company with DSV (Deutscher Sparkassenverlag), Ingenico, Worldline and DSV entered into on February 2, 2020 a Memorandum of Understanding which sets out the framework for discussions between Worldline and DSV concerning the contribution to Payone of the Worldline activities in Germany and in Austria and the main terms of which were presented to the Board of Directors at its meeting held on February 2, 2020. Following on from this Memorandum of Understanding, Worldline, DSV and Ingenico entered into a combination undertaking (protocole de rapprochement) relating in particular to the contribution of Worldline's German and Austrian assets to Payone and a supplemental agreement (avenant) to the Payone shareholders' agreement so as to reflect the contribution transaction (the "**Payone Documentation**"). On May 28, 2020, the members of the Board of Directors voted in favor of the signing of the Payone Documentation which took place on June 9, 2020, it being understood that the agreements comprising the Payone Documentation shall only enter into force if the Offer is successful ;*

- *in the event that (i) the number of Shares not tendered into the Offer or, as the case may be, the re-opened Offer, were not to represent more than 10% of Ingenico's share capital and voting rights; and (ii) the number of Shares not tendered into the Offer or, as the case may be, the re-opened Offer, and the number of Shares which could be issued as a result of conversion of the OCEANEs not tendered into the Offer or, as the case may be, in the re-opened Offer, were not to represent more than 10% of the sum of existing Shares and Shares which could be created as a result of the conversion of the OCEANEs, the Offeror intends to implement a squeeze-out procedure so as to be transferred (x) on the one hand, the Shares not tendered, in exchange for compensation equal to the price of the secondary cash offer (offre publique d'achat à titre subsidiaire), after adjustment as the case may be and (y) on the other hand, the OCEANEs not tendered, in exchange for compensation equal to the price of the alternative cash offer (offre publique alternative d'achat), after adjustment as the case may be (the "**Squeeze-Out**") ;*

- *in the event that the conditions required to implement the Squeeze-Out of the Shares are met, but those required to implement the Squeeze-Out of the OCEANEs are not met, the Offeror intends to implement a Squeeze-Out of the Shares as specified above on the condition that the Company is able to exercise an option to redeem the OCEANEs early in accordance with the terms and conditions of the OCEANEs (in particular in the event that the number of OCEANEs still outstanding, other than those held by Worldline upon completion of the Offer or, as the case may be, the re-opened Offer, represents less than 15% of the OCEANEs issued (with Worldline reserving the right to waive this condition);*

- *in the event that the Offeror were not able to implement a Squeeze-Out, it reserves the possibility to file a proposed buy-out offer (projet d'offre publique de retrait) followed, as the case may be, by a Squeeze-Out of the Shares and/or the OCEANEs that it does not directly or indirectly hold. In this respect, the Offeror does not exclude increasing its shareholding in the Company after completion of the Offer and prior to launching another offer. In addition, the Offeror also reserves the right to implement a merger of the Company (or other entities of the Ingenico group) with itself or with other entities of the Worldline group.*

- ***Review of the Independent Expert's report***

*The Chairman presented to the Board of Directors the report, which had already been sent to the directors prior to the meeting, prepared by the firm Ledouble acting in its capacity as Independent Expert, in accordance with article 261-1 of the AMF Regulations, represented by Ms. Agnès Piniot, and charged with assessing the fairness of the price proposed for the Company Securities in the context of the Offer.*

*During their meeting on June 18, 2020, the members of the Ad hoc Committee had the opportunity to get acquainted with a draft report prepared by the firm Ledouble.*

*The Chairman then invited the Independent Expert, Ms. Agnès Piniot, to present the conclusions of their report in more detail to Board of Directors and to respond to any points raised by the Directors.*

*First of all, Ms. Agnès Piniot stated, in accordance with article 261-4 of the AMF Regulations, that the firm Ledouble had no knowledge of having any past, present or future relationships with the Company, the Offeror or their advisors liable to compromise their independence or the objectivity of their judgement in connection with their assignment. They had thus been able to carry out the assignment with total independence.*

*Ms. Agnès Piniot then reminded the members of the Board of Directors that pursuant to the provisions of article 261-1 of the AMF Regulations, her firm's assignment as Independent Expert consisted in preparing a report on the fairness of the price per Company Security proposed in the context of the Offer. She pointed out that it was also her firm's role to carry out (i) an analysis of the related agreements and other agreements likely to have a significant impact on the price of the Offer, (ii) a critical review of the valuation report (rapport d'évaluation) prepared by the Sponsoring Banks and (iii) an analysis of the comments received, directly or indirectly, from minority shareholders, as the case may be.*

*Ms. Agnès Piniot pointed out that the Company's medium-term business plan covering the period 2019-2021 approved by the Board of Directors on April 18, 2019 had been forwarded to her in the context of her firm's work. In addition, at the meeting held on February 25, 2020, the Board of Directors acknowledged the update of the business plan's key financial indicators which had been sent to the Independent Expert.*

*Then, in the context of the Covid-19 public health crisis, the Company announced its results for Q1 2020 in a press release dated April 22, 2020 and updated its growth prospects for 2020.*

*There is no business plan incorporating the impact of Covid-19 for the Company.*

*In addition, as the Offeror had not provided the Independent Expert with a business plan, the Independent Expert prepared a business plan for the Offeror and the Company on the basis of publicly available information.*
*The Independent Expert specifies that its work thus focused on an evaluation of the companies on pre-announcement as well as on 26 June 2020, as detailed in its report.*

*The firm Ledouble concluded as follows:*

- *<u>As regards the Offer</u>: "At the end of our evaluation regarding the public offer initiated by Worldline on Ingenico Shares, we are able to conclude on the fairness of the terms of:*

    - *the Main Offer comprising an option in Worldline securities and a cash option based on an exchange parity of 11 Worldline Shares plus an amount of €160.50 for seven Ingenico Shares respectively;*

    - *the Subsidiary Public Exchange Offer in Worldline securities based on an exchange parity of 56 Worldline Shares for 29 Ingenico Shares.*

    *We are also able to conclude, with a view to a mandatory buyout, on the fairness of the terms of the Subsidiary Public Purchase Offer for a Subsidiary Purchase Offer Price of €123.10 per Ingenico Share.*

    *With regard to the public offer initiated by Worldline on OCEANE Bonds, we are of the opinion that:*

    - *the OCEANE Bond Combined Offer based on an exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds respectively, i.e., an offer price of €179 per OCEANE Bond, is fair from a financial point of view for OCEANE bondholders;*

    - *from a financial point of view, the OCEANE Bond Cash Offer for a price of €179 for each OCEANE Bond is fair for OCEANE bondholders with a view to a mandatory buyout."*

- *<u>As regards the related agreements</u>: "We have not identified any provisions in the Agreements and Related Transactions that are likely to harm the interests of Ingenico shareholders and OCEANE bondholders whose securities are the object of the Offer."*

*The Independent Expert's report is set out in full as an annex to the Draft Response Document.*

- ***Opinion of the Company's Social and Economic Committee***

*The Chairman pointed out to the Board of Directors that several meetings of the Company's Social and Economic Committee (Comité Social et Economique) (the "**CSE**") had been held since the announcement of the planned Offer, as part of the employee information-consultation procedure in relation to the proposed transaction.*

*The Chairman pointed out that the CSE had chosen to be assisted pursuant to the provisions of articles L. 2323-38 et seq. of the French Labor Code, by the firm of chartered accountants Tandem Expertise, and had been able to interview the Offeror's representatives.*

*The Chairman pointed out that the CSE had, by a unanimous vote, issued an opinion on the proposed Offer on March 12, 2020.*

*The Chairman then presented the extract from the minutes of the meeting of the CSE:*

*The Chairman pointed out that the full minutes of the CSE meeting are attached as an annex to the Draft Response Document.*

- ***Draft reasoned opinion of the Ad hoc Committee***

*The Chairman pointed out that, since it had been set up, the Ad hoc Committee had met to discuss progress roughly every two weeks. Thus, the Ad hoc Committee had met 16 times in total, including 9 times with the Independent Expert being present. The Ad hoc Committee had made sure, in particular, that the Independent Expert had in their possession all of the information which could be useful in carrying out their assignment and that they were able to carry out their work in conditions which were satisfactory.*

*At each of these meetings, the Company and its advisors had made available to the members of the Ad hoc Committee a document mentioning (i) the changes in Ingenico's and Worldline's share price since the announcement of the Offer, (ii) the state of progress of the requests for clearance filed with the regulatory and competition authorities, (iii) matters requiring attention relating to the impact of Covid-19 on the transaction, (iv) the stages relating to the Offeror's and the Company's financial communication, (v) the CSE information-consultation process, (vi) the Independent Expert's work (vii) the preparation of the legal documentation relating to the Offer, (viii) the phases relating to the preparation of integration of the Company in the event the Offer is a success, (ix) the state of progress of the negotiations between Worldline and Payone, and (x) the indicative timetable for the Offer.*

*The Ad hoc Committee noted that no questions from shareholders had been received.*

*Details of interactions between the members of the Ad hoc Committee and the Independent Expert are set out in the Independent Expert's report.*

*The Chairman continued by pointing out that the Ad hoc Committee, at its meeting held on the date hereof, after having taken note of all of the essential documents submitted to the Board of Directors for it to issue its reasoned opinion set out above, had noted as follows:*

- ***<u>As regards the merits of the Offer for the Company</u>:***

*Strategy and industrial, commercial and financial policy*:

- *the combination of Worldline and Ingenico provides an opportunity to create a new world-class leader in the payment services industry, benefiting from operational leverage and greater economies of scale, with pro forma 2019 revenues of circa. €5.3 billion and pro forma operating margin before depreciation and amortization (excédent brut operationnel) of €1.2 billion. It is a unique combination in the payment ecosystem, the transaction notably enabling Ingenico, within the context of the combined group with Worldline, to become a pan-European leader in payment services and global leader in payment terminals, while creating a major European platform for continued consolidation in the payments sector in Europe where the market is still fragmented. The combined group would rank top in the merchant acquirer and payment processor segment, and rank third in the online & mobile acquirer segment; it should be noted that Ingenico combined with another French payments specialist is the best solution for the Company and its employees in an environment of consolidation in order to bolster the resilience of its activities;*

- *as part of the combination, six members of Ingenico's Board of Directors will join Worldline's Board of Directors (including the board members representing DSV and Bpifrance Participations) and, post-transaction, Worldline's Board of Directors will be chaired by Mr. Bernard Bourigeaud, currently Chairman of Ingenico's Board of Directors;*

- *the combined group will be able to benefit from an increased geographical footprint as well as from high complementarity of Ingenico's and Worldline's business sectors;*

- *in order to accelerate its transformation to Payment Platform as a Service (PPaaS), Worldline intends to initiate a review of the strategic options for the Banks and Acquirers (B&A) entity after finalization of the transaction in order to secure the long-term growth prospects of the business in the interests of customers, employees and shareholders;*

- *the Payone Documentation was reviewed and approved by the Board of Directors at its meeting held on May 28, 2020 and would enable Payone, an Ingenico subsidiary, to increase its footprint in Germany and Austria whereas Payone's business in Switzerland would be sold to Worldline or one of its subsidiaries, subject to the Offer being successful;*

- *as regards synergies, the Offeror anticipates strong value creation, with considerable run-rate synergies of circa. €250 million on an annual basis expected by 2024, i.e., €220 million incremental run-rate operating margin before depreciation and amortization (excédent brut operationnel) and €30 million run-rate cash savings from capital expenditure optimization and rationalized rent and lease;*

- ***As regards the merits of the Offer for the Company's shareholders:***

- *the Independent Expert has noted that the price of the Offer represents a premium compared with all of the principal valuation criteria they used and that the price is fair from a financial point of view for the Company's shareholders[18];*

- *it can be seen from the Independent Expert's conclusions that the consideration in cash and in Worldline shares proposed in the Offer for the Shares is fair from a financial point of view for the shareholders, whichever component of the Offer into which the shareholders decide to tender their Shares;*

[18] It is specified that the Independent Expert has also updated its work to 26 June 2020.

- *the price of €160.5 in cash and 11 Worldline shares for 7 Shares proposed in the primary offer for the Shares represents a premium of (i) 17.5% on the basis of Worldline's and Ingenico's closing share prices on January 31, 2020 immediately preceding the announcement of the proposed Offer, (ii) 23.6% on the basis of the volume-weighted average share prices over the month preceding the announcement of the proposed Offer, and (iii) 18.1% on the basis of the volume-weighted average share prices over the three months preceding the announcement of the proposed Offer;*

- *the price of €123.1 per Share proposed in the secondary cash offer for the Shares represents a premium of (i) 17.1% on the basis Ingenico's closing share price on January 31, 2020 immediately preceding the announcement of the proposed Offer, (ii) 21.3% on the basis of the volume-weighted average share price over the month preceding the announcement of the proposed Offer, and (iii) 25.3% on the basis of the volume-weighted average share price over the three months preceding the announcement of the proposed Offer;*

- *the price of 56 Worldline shares for 29 Shares proposed in the secondary exchange offer for the Shares represents a premium of (i) 17.6% on the basis of Worldline's and Ingenico's closing share prices on January 31, 2020 immediately preceding the announcement of the proposed Offer, (ii) 24.2% on the basis of the volume-weighted average share prices over the month preceding the announcement of the proposed Offer, and (iii) 16.4% on the basis of the volume-weighted average share prices over the three months preceding the announcement of the proposed Offer;*

- *Ingenico's shareholders will benefit from significant exposure to the synergies resulting from the combination of Worldline and Ingenico through their stake of around 35% in the combined group (assuming the contribution of all of the Shares to the primary offer and all of the OCEANEs to the mixed offer);*

- *as regards dividend distribution policy, the Offeror reserves the possibility to alter the Company's dividend distribution policy after completion of the Offer, in accordance with applicable laws and the Company's by-laws, and depending notably on its capacity to pay out dividends and its financing requirements. In particular, the Offeror reserves the possibility to modify it so that it corresponds to the Offeror's current dividend distribution policy, which aims to distribute dividends equal to around 25% of its consolidated net result (résultat net consolidé), to the extent that this is compatible with implementation of the group's external growth strategy. The Offeror also reserves the possibility to cancel any dividend distribution by the Company so that the Company is left with more resources for growth and for debt reduction. The Offeror indicated that no decision had been taken to date;*

- *in the case of a Squeeze-Out of the Shares, the shareholders not having tendered their Shares into the Offer will receive compensation in cash equal to the price of the secondary cash offer considered fair by the Independent Expert, after adjustment as the case may be;*

- ***<u>As regards the merits of the Offer for the holders of OCEANEs</u>:***

  - *it can be seen from the Independent Expert's conclusions that the consideration in cash and in Worldline shares proposed in the Offer for the OCEANEs is fair from a financial point of view for the holder of OCEANEs[19];*

  - *the price of €179 per OCEANE proposed in the cash offer for the OCEANEs represents a premium of (i) 2.6% on the basis of the price of the OCEANEs on January 31, 2020 immediately preceding the announcement of*

[19] It is specified that the Independent Expert has also updated its work to 26 June 2020.

*the proposed Offer, (ii) 4% on the basis of the average price of the OCEANEs over the six months preceding the announcement of the proposed Offer and (iii) 5.9% on the basis of the average price of the OCEANEs over the twelve months preceding the announcement of the proposed Offer;*

- *the price of 4 Worldline shares and €998 for 7 OCEANEs proposed in the mixed offer for the OCEANEs represents a premium of (i) 2.7% on the basis of the price of the OCEANEs on January 31, 2020 immediately preceding the announcement of the proposed Offer, (ii) 3.7% on the basis of the average price of the OCEANEs over the month preceding the announcement of the proposed Offer, and (iii) 2.1% on the basis of the average price of the OCEANEs over the three months preceding the announcement of the proposed Offer;*

- *in accordance with the terms and conditions of the OCEANEs, (i) the Company will be able, at its own discretion, at any time, provided it gives at least 30 calendar days' notice, to reimburse at par all of the OCEANEs still outstanding, if in number they represent less than 15% of the number of OCEANEs issued, and (ii) the representative of the body (masse) of holders of OCEANEs will be able, further to a decision of the general meeting of the holders of OCEANEs, to accelerate redemption of all the OCEANEs at par notably in the event that the Shares were no longer to be admitted to trading on Euronext Paris or any other regulated market;*

- *in the event of a Squeeze-Out of the OCEANEs, the holder of OCEANEs not having tendered their OCEANEs into the Offer will receive compensation in cash equal to the price of the alternative cash offer considered fair by the Independent Expert, after adjustment as the case may be;*

- ***As regards the merits of the Offer for the Company's employees***:

  - *concerning employment, Worldline has said that the Offer should not, in itself, have any impact on the employment conditions of the Company's employees. Certain organizational adaptations will be evaluated at a later date in order to ensure successful integration and to contribute to the levels of synergies expected in the long term;*

  - *Worldline intends to encourage internal mobility while reducing external hires and the use of sub-contractors. In addition, Worldline has said that the Offer should not, in itself, have any impact on the sites or decision-making centers of Ingenico. Possibilities for rearranging teams will be examined at a later date, on a case-by-case basis, taking into account Ingenico's and Worldline's respective initial site locations;*

  - *the CSE issued, at its meeting held on March 12, 2020, an opinion with reserves on the Offer in which the employee representatives restated that they are enthusiastic at the idea of participating in the creation of a "French champion" becoming today one of Europe's, and tomorrow one of the world's, leading payment services companies. They also highlighted the complementarity of the two groups' products and services, the economic and strategic benefits of the transaction as well as the synergies resulting from the combination, Ingenico's worldwide presence being an undeniable asset allowing the new group to expand payment services beyond its European bases; the CSE nevertheless deplored the lack of formalisation of an agreement on social guarantees relating in particular to employment, the resources allocated to employee mobility, to training, to accompanying employee departures as the case may be, and to representation of the Ingenico employees within the employee representative bodies as well as within the decision-making bodies of the new group;*

  - *the supervisory board of "Ingenico Actionnariat France", the company-specific collective investment fund (fond commun de placement d'entreprise - FCPE dédié) decided at a meeting held on May 7, 2020 to tender its Shares into the primary mixed Offer for the Shares;*

- *the holders of Ingenico performance shares will be proposed a liquidity mechanism pursuant to which, in the event of insufficient liquidity of Ingenico shares, the Offeror would grant them a put option in respect of their Ingenico performance shares as described in the Draft Response Document. It should be noted that this put option granted by the Offeror as part of the liquidity mechanism will be accompanied by a call option granted by each holder which may be exercised by the Offeror upon expiry of the exercise period of the put option; and*

- *it is also reminded that:*

    - *in accordance with the rules of the 2018-1, 2018-2 and 2018-3 plans, the continual employment condition and the performance conditions will be deemed to be fully satisfied in the event of the change of control of Ingenico, i.e., in the event that the Offer is successful;*

    - *the internal performance conditions for the 2019 plan for the Company's employees will be deemed to be satisfied, subject to the Offer being successful. In addition, the formula for calculation of the external performance condition will be adjusted to reflect, initially, changes in the Ingenico share price and, subsequently, and only if the Offer is successful, changes in the Worldline share price, as described in the Draft Response Document; and*

    - *the plan for the award of free performance shares for 2020 put in place by the Board of Directors on June 11, 2020 (the "**Plan**") shall automatically lapse on the settlement date of the Offer provided that the board of directors of Worldline has implemented, on the same date, a Worldline performance shares plan for the beneficiaries of the Plan as described in the Draft Response Document.*

*Consequently, the Ad hoc Committee, unanimously:*

- *noted that the terms of the Offer are fair for the shareholders and the holders of OCEANEs;*

- *presented to the Board of Directors a draft reasoned opinion set out above; and*

- *recommended to the Board of Directors that it issue a favorable opinion on the merits of the Offer for the Company, its shareholders, holders of OCEANEs and its employees and that it recommend to the shareholders and the holders of OCEANEs to tender their Company Securities to the Offer.*

- ***Reasoned opinion of the Board of Directors on the proposed Offer***

*After an in-depth exchange of views, the Board of Directors, having taken note of (i) the terms of the Offer, (ii) the reasons and intentions of the Offeror, and of the valuation criteria prepared by the Sponsoring Banks as set out in the Draft Offer Document, (iii) the methods for assessing and analyzing the related agreements, as set out in the Independent Expert's report, (iv) the draft opinion of the Ad hoc Committee and (v) the opinion issued by the CSE, by a unanimous vote of the members of the Board of Directors present or represented participating in the vote on the decision:*

- ***acknowledged** that the Independent Expert, after having applied a multi-criteria approach to the valuation of the Company, concluded that the Offer was fair from a financial point of view for the shareholders and the holders of OCEANEs;*

- ***acknowledged** that the CSE had issued an opinion with reserves on the Offer;*

- ***approved**, without making any amendments, the draft reasoned opinion as presented by the Ad hoc Committee, Mr. Arnaud Lucien, director representing the employees, wishing however to add the statement reproduced below;*

- **considered***, therefore, that the proposed Offer, as described in the Draft Offer Document, is in the interests of the Company, the shareholders, the holders of OCEANEs and the employees and decided to issue a favorable opinion on the proposed Offer;*

- **recommended** *to the Company's shareholders and to the holders of OCEANEs to tender their Company Securities into the Offer.*

Annex - Statement by Mr. Arnaud Lucien

*This union comes at a time when the consolidation of European players in the payment industry seems inevitable and should allow to constitute a true leader at the European level, while keeping growth prospects based on the complementarity of the two players in terms of geographic presence and commercial offers.*

*To fully succeed in this combination, it will be necessary to be able to unite all the employees around a mobilizing project, without leaving room for doubts. However, these doubts are currently significant, on the one hand on the future of B&A, taking into account the strategic review that will be undertaken post-closing, on the other hand with regard to the consequences on the potentially redundant corporate workforce, and finally on the social and organizational impacts of integrating Retail employees into the Global Business Line « Merchant Services ».*

*My opinion therefore remains completely aligned with the one I expressed during the Board meeting on February 2, namely that I support this project of union with Worldline, despite some reservations about its implementation. I thus regret the absence of will to formalize with the social partners a social guarantee agreement which would have been, in my opinion, a strong act demonstrating confidence in the future and allowing each employee of Ingenico and Worldline to project themselves positively in the new set. This human capital is essential to the success of this project. It is not enough to retain loyalty - the leaders, the experts and the identified talents - it is necessary to mobilize all the collective forces of the two companies.*

## 3. OPINION OF THE COMPANY'S WORKS' COUNCIL

In accordance with the provisions of articles L. 2312-42 *et seq.* of the French Labor Code, the social and economic council for the Ingenico economic and social unit (the "**Works' Council**") was consulted as part of the information-consultation process with employee representative bodies of the Company and issued, on March 12, 2020, a reasoned opinion on the draft Offer.

This opinion is copied in full in Annex 1, pursuant to the provisions of Article 231-19 of the AMF General Regulation and of Article L. 2312-46 of the French Labour Code.

The Works' Council nominated the firm Tandem Expertise, in accordance with the provisions of articles L. 2312-42 *et seq.* of the French Labor Code. The summary of Tandem Expertise's report is reproduced in Annex 2, in accordance with the provisions of Article 231-19 of the AMF General Regulation and Article L.2312-46 of the French Labor Code.

## 4. INTENTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

All members of the Company's Board of Directors have expressed their intention to contribute all the Ingenico shares they hold to the Primary Offer.

## 5. INTENTIONS OF THE COMPANY WITH REGARD TO TREASURY SHARES

At the date of the Draft Response Document, the Company holds 1.294.974 Ingenico shares.

Under the Business Combination Agreement, the Company has undertaken not to contribute its treasury shares to the Offer.

## 6. REPORT OF THE INDEPENDENT EXPERT

Pursuant to Article 261-1 of the AMF General Regulation, the Company's Board of Directors nominated the firm Ledouble as Independent Expert in order to establish a report on the financial conditions of the Offer and on a potential squeeze-out.

The conclusion of the Independent Expert's report, dated July 6, 2020, is copied in full hereunder:

*"At the end of our evaluation regarding the public offer initiated by Worldline on Ingenico Shares, we are able to conclude on the fairness of the terms of:*

- *the Main Offer comprising an option in Worldline securities and a cash option based on an exchange parity of 11 Worldline Shares plus an amount of €160.50 for seven Ingenico Shares respectively;*

- *the Subsidiary Public Exchange Offer in Worldline securities based on an exchange parity of 56 Worldline Shares for 29 Ingenico Shares.*

*We are also able to conclude, with a view to a mandatory buyout, on the fairness of the terms of the Subsidiary Public Purchase Offer for a Subsidiary Purchase Offer Price of €123.10 per Ingenico Share.*

*With regard to the public offer initiated by Worldline on OCEANE Bonds, we are of the opinion that:*

- *the OCEANE Bond Combined Offer based on an exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds respectively, i.e., an offer price of €179 per OCEANE Bond, is fair from a financial point of view for OCEANE bondholders.*

- *from a financial point of view, the OCEANE Bond Cash Offer for a price of €179 for each OCEANE Bond is fair for OCEANE bondholders with a view to a mandatory buyout.*

*We have not identified any provisions in the Agreements and Related Transactions that are likely to harm the interests of Ingenico shareholders and OCEANE bondholders whose securities are the object of the Offer.*"

The report of the Independent Expert is copied in full in Annex 3 of the Draft Response Document.

## 7. AGREEMENTS THAT MAY HAVE A MATERIAL EFFECT ON THE VALUATION OF THE OFFER OR ITS OUTCOME

With the exception of (i) the Business Combination Agreement, the Payone Agreements and the BPI Contribution Commitment (as described under paragraph 1.1.1 of the Draft Offer Document and paragraph 1.2.1 of the Draft Response Document), and (ii) the agreements pertaining to the liquidity mechanism described under paragraph 2.7.2 of the Draft Offer Document and paragraph 1.3.6 of the Draft Response Document, the Company is not a party to and has no knowledge of any agreements that may have a material effect on the valuation of the Offer or its outcome.

## 8. ELEMENTS RELATING TO THE COMPANY THAT MAY HAVE AN IMPACT IN CASE OF A TENDER OFFER

### 8.1. Company's share capital structure and ownership

#### 8.1.1. Share capital of the Company

On June 30, 2020, the Company's total share capital amounted to €63,713,047, divided into 63,713,047 shares, all fully paid up and of the same category. The number of theoretical voting rights amounts to 67,849,883 and the number of actual voting rights amounts to 66,554,909. Shares that have been registered in the same shareholder's name for at least two years are granted double voting rights.

To the best of the Company's knowledge, share ownership as of June 30, 2020 was broken down as follows:

| Balance at June 30, 2020 | Number of shares | % shares | Number of voting rights | % of actual voting rights | % of theorical voting rights |
|---|---|---|---|---|---|
| **Shareholders** | | | | | |

| Balance at June 30, 2020 | Number of shares | % shares | Number of voting rights | % of actual voting rights | % of theorical voting rights |
|---|---|---|---|---|---|
| Blackrock Inc.[20] | 5,060,583 | 7.94 % | 5,060,583 | 7.60 % | 7.46% |
| Caisse des Dépôts et Consignations<br>including BPI France Participations | 3,672,171<br>3,383,971 | 5.76 %<br>5.31 % | 7,056,142<br>6,767,942 | 10.60 %<br>10.17 % | 10.40 %<br>9.97 % |
| FIL Limited | 2,519,595 | 3.96% | 2,519,595 | 3.79 % | 3.71 % |
| Société Générale | 4,365,772 | 6.85 % | 4,365,772 | 6.56 % | 6.43 % |
| JP Morgan Chase &Co | 3,578,583 | 5.62 % | 3,578,583 | 5.38 % | 5.27 % |
| Crédit Suisse | 2,852,568 | 4.48 % | 2,852,568 | 4.29 % | 4.20 % |
| Employees shareholding | 146,651 | 0.23 % | 293,302 | 0.44 % | 0.43 % |
| Treasury shares | 1,294,974 | 2.03 % | - | - | 1.91 % |
| of which, shares held under liquidity contract | - | - | - | - | - |
| Other shareholders (bearer and registered) | 40,222,150 | 63.13 % | 40,828,364 | 61.35 % | 60.17 % |
| **TOTAL** | **63,713,047** | **100 %** | **66,554,909** | **100 %** | **100 %** |

As of June 30, 2020, there are no other equity instruments, or financial instruments or rights which may confer immediate or future entitlement to Company shares or voting rights, other than the Performance Shares described under paragraph 1.3.5 of the Draft Response Document and the OCEANEs described under paragraph 1.3.4 of the Draft Response Document.

8.1.2. Shares owned by the Offeror

At the date of the Draft Offer Document, the Offeror does not own any Company shares or voting rights, directly or indirectly, acting alone or in concert.

## 8.2. Restrictions concerning the exercise of voting rights or the transfer of shares in the articles of association of Ingenico

8.2.1. Shareholding threshold disclosure obligations

In addition to instances when the regulatory thresholds are exceeded, which must be notified to both the Company and the AMF as set out in Article L.233-7 of the French Commercial Code, Article 8 of the Company's articles of association provides that any individual or legal entity owning a number of Ingenico shares amounting to over 2% of the share capital or the voting rights, or any multiple thereof, shall, within four trading days (before close of trading) of the date on which each shareholding threshold is crossed, notify the Company of the total number of shares and voting rights held in a letter sent by recorded delivery with return receipt requested.

Failing notification, the shares exceeding the fraction that should have been notified shall be deprived of voting rights at shareholders' meetings, as provided for by law, if such a failure to notify is noted at the time of a shareholders' meeting, and if one or more shareholders, together holding at least 5% of the share capital, request this at the said meeting.

[20] Following a new threshold crossing on July 2, 2020, Blackrock Inc. holds 5,067,159 shares and voting rights, representing 7.95% of the shares, 7.61% of the actual voting rights and 7.47% of the theoretical voting rights.

Similarly, any person whose direct or indirect interest in the Company falls below each of the aforementioned thresholds shall give notice thereof to the Company in the form and within the period specified above.

8.2.2. Restrictions to transfers of Ingenico shares

The articles of association of the Company do not impose any restrictions on the transfer of shares.

8.2.3. Double voting rights

Article 19 of the Company's articles of association grants double voting rights to fully paid up Ingenico shares that have been registered in the same shareholder's name for at least two years.

Article 19 of the Company's articles of association also specifies that in case of a capital increase by incorporating retained earnings, net profits or share premiums, double voting rights shall be conferred upon issuance of registered shares allotted for free on the basis of existing shares holding such double voting rights.

## 8.3. Contractual clauses notified to the Company pursuant to Article L. 233-11 of the French Commercial Code

The Company has knowledge of an agreement, published by the AMF under number 206C2177, entered into on November 23, 2006 by, on one hand, Candel & Partners SAS[21], FBT SCA[22] (formerly Financière de Tayninh SCA), Consellior SAS[23] and Allan Green, and on the other hand, Raiffeisen Centrobank AG[24] (hereinafter referred to as "**RCB**") in relation to Ingenico. This agreement restated and replaced the shareholders' agreement entered into on October 4, 2004, which constituted an action in concert between its signatories (refer to AMF Ruling and Notice No. 204C1192 of October 7, 2004 and AMF Ruling and Notice No. 204C1198 of October 11, 2004).

On November 8, 2011, Allan Green informed the Company and the AMF that, on November 4, 2011, the Consellior group and RCB had ended their action in concert and their adherence to the shareholders' agreement of November 23, 2006. Since that date, the Consellior group has consisted only of Consellior SAS, Candel & Partners and Mr. Allan Green.

Moreover, on February 2, 2020, Bpifrance Participations and the Offeror entered into a contribution agreement with respect to the Offer, concerning all Ingenico shares held by Bpifrance Participations, amounting to 3,384,971 Ingenico shares (*i.e.* approximately 5.31% of the Company's capital). This agreement is described in detail under paragraph 1.2.1.3 of the Draft Response Document.

To the best of the Company's knowledge, there is no other agreement or shareholders' agreement within the scope of Article L.233-11 of the French Commercial Code.

## 8.4. Direct and indirect interest in the capital of the Company notified pursuant to threshold disclosures or trading disclosures

As of June 30, 2020, the Company's share capital is allocated as indicated in paragraph 8.1.1 above.

Since January 1, 2020 and at the date of the Draft Response Document, the AMF and the Company have received the following threshold crossing notifications:

[21] Company controlled by Mr. Allan Green, 4 Avenue Hoche, 75008 Paris, France.
[22] Limited partnership wholly owned by Candel & Partners, 4 avenue Hoche, 75008 Paris, France
[23] Limited liability joint-stock company controlled by Mr. Allan Green, 4 avenue Hoche, 75008 Paris, France.
[24] Company of the banking Group Raiffeisen, Tegetthoffstrasse 1, A-1010 Vienna, Austria.

| Shareholder | Date of threshold crossing | Number of shares | % share capital | % of voting rights | Crossed threshold (increase / decrease) |
|---|---|---|---|---|---|
| **I. Notifications of statutory thresholds** | | | | | |
| Caisse des dépôts et consignations | January 2, 2020 | 3,618,971 | 5.68 | 10.28 | Increase past 10% of voting rights |
| JP Morgan Chase & Co | February 5, 2020 | 3,834,494 | 6.02 | 5.63 | Increase past 5% of capital and voting rights |
| JP Morgan Chase & Co | February 10, 2020 | 14,234 | 0.02 | 0.02 | Decrease past 5% of capital and voting rights |
| JP Morgan Chase & Co | February 18, 2020 | 3,467,358 | 5.44 | 5.09 | Increase past 5% of capital and voting rights |
| UBS Group AG | February 20, 2020 | 4,020,542 | 6.31 | 5.90 | Increase past 5% of capital and voting rights |
| Société Générale | February 25, 2020 | 3,497,783 | 5.49 | 5.14 | Increase past 5% of voting rights |
| UBS Group AG | February 25, 2020 | 0 | 0 | 0 | Decrease past 5% of capital and voting rights |
| Société Générale | February 26, 2020 | 0 | 0 | 0 | Decrease past 5% of capital and voting rights |
| JP Morgan Chase & Co | March 18, 2020 | 10,209 | 0.02 | 0.02 | Decrease past 5% of capital and voting rights |
| JP Morgan Chase & Co | April 24, 2020 | 3,448,782 | 5.41 | 5.08 | Increase past 5% of capital and voting rights |
| JP Morgan Chase & Co | April 28, 2020 | 2,906 | 0.005 | 0.004 | Decrease past 5% of capital and voting rights |
| JP Morgan Chase & Co | May 15, 2020 | 3,578,583 | 5.62 | 5.27 | Increase past 5% of capital and voting rights |
| Société Générale | June 4, 2020 | 3,418,452 | 5.37 | 5.04 | Increase past 5% of capital and voting rights |
| Société Générale | June 4, 2020 | 0 | 0 | 0 | Decrease past 5% of capital and voting rights |
| Société Générale | June 9, 2020 | 4,527,282 | 7.11 | 6.67 | Increase past 5% of capital and voting rights |

| Shareholder | Date of threshold crossing | Number of shares | % share capital | % of voting rights | Crossed threshold (increase / decrease) |
|---|---|---|---|---|---|
| **II. Notification of thresholds stipulated by the Company articles of association** | | | | | |
| BlackRock Inc. | January 2, 2020 | 4.,073,449 | 6.39 | 5.98 | Decrease past 6% of voting rights |
| BlackRock Inc. | January 7, 2020 | 4,091,747 | 6.42 | 6.01 | Increase past 6% of voting rights |
| BlackRock Inc. | January 13, 2020 | 4,025,595 | 6.32 | 5.91 | Decrease past 6% of voting rights |
| BlackRock Inc. | January 14, 2020 | 4,143,532 | 6.50 | 6.08 | Increase past 6% of voting rights |
| BlackRock Inc. | February 5, 2020 | 4,062,197 | 6.38 | 5.97 | Decrease past 6% of voting rights |
| JP Morgan Securities Plc. | February 5, 2020 | 3,826,300 | 6.01 | 5.62 | Increase past 6% of voting rights |
| BlackRock Inc. | February 6, 2020 | 4,376,547 | 6.87 | 6.43 | Increase past 6% of voting rights |
| JP Morgan Securities Plc. | February 10, 2020 | 14,234 | 0.02 | 0.02 | Decrease past 6% of capital |
| UBS AG | February 20, 2020 | 3,037,352 | 4.77 | 4.46 | Increase past 4% of capital and voting rights |
| UBS Group AG | February 20, 2020 | 4,020,542 | 6.31 | 5.90 | Increase past 6% of capital |
| UBS Group AG | February 21, 2020 | 3,710,398 | 5.82 | 5.45 | Decrease past 6% of capital |
| UBS Group AG | February 25, 2020 | 0 | 0 | 0 | Decrease past 2% of capital and voting rights |
| Société Générale | February 26, 2020 | 0 | 0 | 0 | Decrease past 2% of capital and voting rights |
| Crédit Suisse Group | March 3, 2020 | 1,384,052 | 2.03 | - | Increase past 2% of capital |
| BlackRock Inc. | March 10, 2020 | 5,156,882 | 8.09 | 7.59 | Increase past 8% of capital |
| JP Morgan Securities LLC | March 18, 2020 | 10,209 | 0.02 | 0.02 | Decrease past 2% of capital and voting rights |

| Shareholder | Date of threshold crossing | Number of shares | % share capital | % of voting rights | Crossed threshold (increase / decrease) |
|---|---|---|---|---|---|
| BlackRock Inc. | March 19, 2020 | 4,765,340 | 7.48 | 7.02 | Decrease past 8% of capital |
| Allianz Global Investors GmbH | March 24, 2020 | 1,352,607 | 2.12 | 1.99 | Decrease past 2% of capital and voting rights |
| Allianz Global Investors GmbH | March 27, 2020 | 1,247,994 | 1.96 | 1.84 | Decrease past 2% of capital |
| Caisse des dépôts et consignations | April 3 & 7, 2020 | 5,022,356 | 7.88 | 12.37 | Increase past 6% of capital and 12% of voting rights |
| CNP Assurances | April 7, 2020 | 1,638,385 | 2.57 | 2.41 | Increase past 2% of capital and voting rights |
| Caisse des dépôts et consignations | April 9, 2020 | 4,105,642 | 6.44 | 11.02 | Decrease past 12% of voting rights |
| CNP Assurances | April 9, 2020 | 721,671 | 1.13 | 1.06 | Decrease past 2% of capital and voting rights |
| Caisse des dépôts et consignations | April 21, 2020 | 3,800,548 | 5.96 | 10.58 | Decrease past 6% of capital |
| BlackRock Inc. | April 27, 2020 | 5,399,074 | 8.47 | 7.95 | Increase past 8% of capital |
| BlackRock Inc. | May 4, 2020 | 5,508,901 | 8.65 | 8.11 | Increase past 8% of voting rights |
| BlackRock Inc. | May 6, 2020 | 5,420,605 | 8.51 | 7.98 | Decrease past 8% of voting rights |
| BlackRock Inc. | May 11, 2020 | 5,424,095 | 8.51 | 7.99 | No threshold crossing. |
| BlackRock Inc. | May 13, 2020 | 5,498,311 | 8.63 | 8.10 | Increase past 8% of voting rights |
| Caisse des dépôts et consignations | May 13, 2020 | 3,986,971 | 6.25 | 10.85 | Increase past 6% of capital |
| BlackRock Inc. | May 18, 2020 | 5,351,396 | 8.40 | 7.88 | Decrease past 8% of voting rights |
| BlackRock Inc. | May 19, 2020 | 5,514,276 | 8.65 | 8.12 | Increase past 8% of voting rights |
| BlackRock Inc. | May 20, 2020 | 5,280,832 | 8.29 | 7.78 | Decrease past 8% of voting rights |

| Shareholder | Date of threshold crossing | Number of shares | % share capital | % of voting rights | Crossed threshold (increase / decrease) |
|---|---|---|---|---|---|
| Citigroup Inc. | May 20, 2020 | 1,138,188 | 1.79 | - | No threshold crossing. |
| BlackRock Inc. | May 26, 2020 | 5,053,429 | 7.93 | 7.44 | Decrease past 8% of capital |
| BlackRock Inc. | May 27, 2020 | 5,269,777 | 8.27 | 7.76 | Increase past 8% of capital |
| BlackRock Inc. | May 28, 2020 | 5,013,199 | 7.87 | 7.38 | Decrease past 8% of capital |
| Caisse des dépôts et consignations | June 3, 2020 | 3,746,971 | 5.88 | 10.50 | Decrease past 6% of capital |
| BlackRock Inc. | June 4, 2020 | 5,097,927 | 8.00 | 7.51 | Increase past 8% of capital |
| Société Générale | June 9, 2020 | 4,527,282 | 7.11 | 6.67 | Increase past 8% of capital |
| BMO | June 10, 2020 | 1,328,971[25] | 2.09 | 1.96 | Increase past 2% of capital |
| BMO | June 11, 2020 | 842,707[26] | 1.32 | 1.24 | Decrease past 2% of capital |
| Société Générale | June 11, 2020 | 4,456,349 | 6.99 | - | No threshold crossing. |
| Société Générale | June 12, 2020 | 4,642,850 | 7.29 | - | No threshold crossing. |
| Société Générale | June 16, 2020 | 4,298,733 | 6.75 | - | No threshold crossing. |
| Société Générale | June 22, 2020 | 4,508,221 | 7.08 | - | No threshold crossing. |
| Caisse des dépôts et consignations | June 24, 2020 | 4,176,171 | 6.55 | 11.13 | Increase past 6% of capital |
| Credit Suisse Group | June 25, 2020 | 2,852,568 | - | 4.2 | Increase past 4% of voting rights |
| Société Générale | June 29, 2020 | 4,365,772 | 6.85 | - | No threshold crossing. |

[25] As at June 10, 2020, BMO held an additional 2.447 shares over which it did not have voting rights.
[26] As at June 11, 2020, BMO held an additional 2.447 shares over which it did not have voting rights.

| Shareholder | Date of threshold crossing | Number of shares | % share capital | % of voting rights | Crossed threshold (increase / decrease) |
|---|---|---|---|---|---|
| Caisse des dépôts et consignations | June 30, 2020 | 3,672,171 | 5.76 | 10.39 | Decrease past 6% of capital |
| BlackRock Inc. | June 30, 2020 | 5,060,583 | 7.94 | 7.46 | Decrease past 8% of capital |
| BlackRock Inc. | July 1, 2020 | 5,182,313 | 8.13 | 7.64 | Increase past 8% of capital |
| BlackRock Inc. | July 2, 2020 | 5,067,159 | 7.95 | 7.47 | Decrease past 8% of capital |

### 8.5. List of holders of any security granting special control rights and description of special control rights

To the knowledge of the Company, there are no holders of securities granting special control rights other than the double voting rights described above under paragraph 8.2.3.

### 8.6. Control mechanisms in case of an employee shareholding scheme where such control is not exercised by the employees

As of June 30, 2020, FCPE Ingenico held 151,955 Ingenico shares, representing 0.24% of the capital and 0.22% of the voting rights of the Company. It is managed by Natixis.

FCPE Ingenico is managed by a supervisory board, it being specified that the rules of the Ingenico Works' Council's savings plan have been amended on 22 July, 2020, in order to empower the supervisory board to contribute the Ingenico shares held by FCPE Ingenico to the Offer or, as the case may be, the Reopened Offer. The supervisory board of FCPE Ingenico decided in a meeting of May 7, 2020 to tender its 151,955 Ingenico shares to the Primary Offer.

### 8.7. Shareholder agreements known to the Company which may impose restrictions on the transfer of shares and the exercise of voting rights

At the time of the Draft Response Document, except the liquidity mechanism concerning Performance Shares described under paragraph 1.3.6 of the Draft Response Document, the Company is not aware of any agreement between the shareholders that may impose restrictions on the transfer of shares and the exercise of voting rights.

### 8.8. Rules concerning the appointment and replacement of Board members and amendments to the Company's articles of association

#### 8.8.1. Rules concerning the appointment and replacement of Board members

##### 8.8.1.1. Composition of the Board of Directors

In accordance with Article 12 of the articles of association, the Company is administered by a Board of Directors composed of at least three (3) and at most thirteen (13) members. Board members representing employees are not taken into account in determining the minimum and maximum number of directors under Article L. 225-27-1 of the French Commercial Code. If the number of Board members falls below three, the remaining Board members must immediately convene a general meeting of shareholders in order to complete the number of Board members.

A Company employee may only be appointed to the Board of Directors if their employment contract predates this appointment and corresponds to an actual job position. The director representing employees does not lose the benefit of his or her employment contract. The number of directors bound to the Company by employment contracts may not exceed one third of all directors in office. Any appointment made in violation of the above provisions will be declared null and void.

Board members may be either natural or legal persons. If a legal person is appointed, it must immediately designate a physical person as its permanent representative, who will be subject to the same conditions and obligations and have the same duties as any director appointed in their own name, without prejudice to the joint and several liability of the legal entity represented. When a legal entity dismisses its permanent representative, it must immediately appoint a replacement. The same applies in the event of death or resignation of the permanent representative.

Board members are appointed by the general meeting of shareholders and can be removed by it. The term of office for Board members is three (3) years. By way of exception and to allow the renewal of Board members' terms of office to be staggered, the ordinary general meeting of shareholders may proceed to make appointments or renewals for terms of one year or two years. Plurality of offices as a board member and other corporate offices in several joint stock companies (*sociétés anonymes*) is allowed only within the limits permitted by law.

In the event of the death or resignation of a Board member, the Board of Directors may make a provisional appointment between two shareholders' meetings. Any such provisional appointment must be ratified by the next general meeting of shareholders. Even if the meeting does not ratify the appointment, the prior deliberations and decisions of the Board of Directors shall remain valid.

The number of Board members (individuals or representatives of legal entities) over 75 years of age may not exceed one third, rounded up to the next whole number, of the Board members in office on the date of the general meeting of shareholders convened to approve the annual financial statements. When such proportion has been exceeded, the oldest Board member, except for the Chairman, will be deemed to have resigned.

In accordance with the internal rules of the Board of Directors, each Board member undertakes to hold at least one thousand (1,000) Ingenico shares at all times. Shares must be fully paid up and registered in the Board member's name. These provisions do not apply to employee representatives appointed pursuant to Article L. 225-27-1 of the French Commercial Code.

In the event that he or she no longer holds the required number of Ingenico shares, the director would have a period of twelve months, in accordance with the provisions of these internal rules, to restore his or her situation, failing which he or she would be deemed to have resigned automatically.

Board members may be dismissed at any time by the general meeting of shareholders under the conditions prescribed by law and applicable regulations.

8.8.1.2. Board members representing employees

In accordance with Article L. 225-27-1 of the French Commercial Code, the Board of Directors comprises a representative of the employees who is not taken into account in calculating the aforementioned minimum and maximum number of Board members.

If the number of Board members exceeds eight, a second employee representative must be appointed, pursuant to the provisions below, within six months of the appointment of the new Board member by the Board of Directors or by the general meeting.

The number of Board members to be taken into account in determining the required number of employee representatives is assessed on the date of appointment of the employee representatives to the Board of Directors. Neither the employee representatives appointed pursuant to Article L. 225-27 of the French

Commercial Code, nor the representatives of shareholder employees appointed pursuant to Article L. 225-23 of the French Commercial Code are taken into account in this respect.

The term of office of employee representatives is three years. The reduction to eight or fewer than eight of the number of Board members appointed by the annual general meeting shall have no effect on the mandate of employee representatives on the Board of Directors, which shall expire at the end of its normal term.

In the event of a vacancy for any reason whatsoever of a seat for an employee representative, the vacancy shall be filled in accordance with the conditions set forth in Article L. 225-34 of the French Commercial Code.

The employee representatives are not required to own a minimum number of shares. Employee representatives are appointed by the Company's Works' Council.

In the event that the Company is no longer subject to the obligation to appoint an employee representative, the term of office of the employee representative on the Board of Directors shall terminate at the end of the meeting during which the Board of Directors notes that the obligation has lapsed.

#### 8.8.2. Amendments to the articles of association

Pursuant to Article L. 225-96 du Code de commerce, only the extraordinary general meeting of shareholders is empowered to amend the provisions of the articles of associations.

Shareholder general meetings are convened and adopt decisions according to the conditions set out by the French Commercial Code and Article 19 of the Company's articles of association.

### 8.9. Powers of the Board of Directors relating in particular to the issuance and repurchase of securities

The Board of Directors determines the Company's strategy and oversees its implementation. The powers of the Board of Directors are described under Article 12 of the Company's articles of association.

Without prejudice to the powers expressly granted to the general meeting of shareholders and within the limit of the Company's corporate purpose, the Board of Directors deals with all matters concerning the smooth running of the Company and, through its decisions, manages the Company's business.

In addition to its general powers provided by law and its specific powers provided by the Company's articles of association, the Board of Directors has been granted the following delegations concerning the issuance or repurchase of securities:

| Date of the general meeting granting or modifying the delegation or resolution | Nature of the delegation or authorization | Term/ duration | Effective use of authorization or delegation | Maximum authorized amount | Suspension of the delegation in case of takeover bid |
|---|---|---|---|---|---|
| June 11, 2020 (13th resolution) | Repurchase by the Company of its own shares (maximum repurchase price: 180 euros). | 18 months | Transfers during current financial year:<br>Purchase: None<br>Sale: None | Within the limit of 10% of share capital (at repurchase date) | Yes |
| June 11, 2020 (15th resolution) | Cancellation of shares repurchased by the Company. | 24 months | None | Within the limit of 10% of share capital (at cancellation date) | Yes |

| Date of the general meeting granting or modifying the delegation or resolution | Nature of the delegation or authorization | Term/ duration | Effective use of authorization or delegation | Maximum authorized amount | Suspension of the delegation in case of takeover bid |
|---|---|---|---|---|---|
| June 11, 2020 (16th resolution) | Issuance of ordinary shares conferring, as the case may be, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with preferential subscription rights. | 26 months | None | Capital increase: 30,000,000 euros[27]<br><br>Debt securities: 1,500,000,000 euros | Yes |
| June 11, 2020 (17th resolution) | Issuance of ordinary shares conferring, as the case may be, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with waiver of preferential subscription rights, by public offer, and/or in consideration for securities as part of a public exchange offer. | 26 months | None | Capital increase: 6,371,304 euros [28]<br><br>Debt securities: 1,500,000,000 euros [29] | Yes |
| June 11, 2020 (18th resolution) | Issuance of ordinary shares conferring, as the case may be, entitlement to ordinary shares or debt securities (of the Company or of another Group company) and/or securities conferring entitlement to ordinary shares (by the Company or another Group company), with waiver of preferential subscription rights, by means of an offer referred to in section II of Article L. 411-2 of the French Monetary and Financial Code. | 26 months | None | Capital increase: 6,371,304 euros [30]<br><br>Debt securities: 1,500,000,000 euros [31] | Yes |
| June 11, 2020 (19th resolution) | Increase of the value of issuances in the event of excess demand. | N/A. | None | Within the limit of maximums set for the issuance of equity or debt securities | Yes |

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[27] It is specified that for the calculation of this maximum, capital increases carried out pursuant to the 17th, 18th, 19th and 20st resolutions will also be taken into account.
[28] Subject to compliance with the overall maximum for capital increases amounting to 10% of the share capital at June 11, 2020, *i.e.* 6,371,304.70 euros, towards which this amount would accrue.
[29] Subject to compliance with the overall maximum for issuances of debt securities amounting to 1,500,000,000 euros towards which this amount would accrue.
[30] Subject to compliance with the overall maximum for capital increases amounting to 10% of the share capital at June 11, 2020, *i.e.* 6,371,304.70 euros, towards which this amount would accrue.
[31] Subject to compliance with the overall maximum for issuances of debt securities amounting to 1,500,000,000 euros towards which this amount would accrue.

| Date of the general meeting granting or modifying the delegation or resolution | Nature of the delegation or authorization | Term/ duration | Effective use of authorization or delegation | Maximum authorized amount | Suspension of the delegation in case of takeover bid |
|---|---|---|---|---|---|
| June 11, 2020 (20th resolution) | Issuance of ordinary shares and/or securities conferring entitlement to share capital as consideration for contributions in kind consisting of capital securities or securities conferring entitlement to the share capital, subject to the limit of 10% of the share capital. | 26 months | None | 10 % of capital at the day of the general meeting of June 11, 2020, *i.e.* 6,371,304.70 euros [32] | Yes |
| June 11, 2020 (21st resolution) | Overall limit of delegated authority in respect of immediate and/or future capital increases. | 26 months | None | Capital increase: 10 % of capital at the day of the general meeting of June 11, 2020, *i.e.* 6,371,304.70 euros [33]<br><br>Debt securities: 1,500,000,000 euros | No |
| June 11, 2020 (22nd resolution) | Issuance of ordinary shares and/or securities conferring entitlement to share capital, with waiver of preferential subscription rights, to employees who are members of a company savings plan, pursuant to Articles L.3332-18 *et seq.* of the French Labor Code. | 26 months | Capital increase by issuance of 33,649 shares pursuant to the authorization of the same nature applicable prior to June 11, 2019 | 2% of capital (at the day of the Board decision on the issuance) | Yes |
| June 11, 2020 (23rd resolution) | Issuance of ordinary shares, with waiver of preferential subscription rights, to employees, directors and executive officers of Group companies with registered offices outside France who are not members of a company savings plan. | 18 months | None | 2% of capital (at the day of the Board decision on the issuance) | Yes |
| June 11, 2019 (21st resolution) | Increase of share capital through incorporation of retained earnings, net profit and/or premiums, duration of the delegation of authority, maximum nominal amount of the capital increase, treatment of fractional shares, suspension of this delegation of authority during a public offer period. | 26 months | None | 10,000,000 euros | Yes |
| June 11, 2019 (24th resolution) | Free allocation of existing shares and/or issuance of free shares to salaried employees and/or certain directors and executive | 38 months | On June 11, 2019, the Board of Directors granted 471,361 Performance | Global maximum: 3% of capital at the day of the general meeting of June 11, 2019 | No |

[32] Subject to compliance with the overall maximum for capital increases amounting to 10% of the share capital at June 11, 2020, *i.e.* 6,371,304.70 euros, towards which this amount would accrue.
[33] It is specified that capital increases that may be realized under this delegation will accrue towards the global amount for shares issued pursuant to the 16th resolution.

| Date of the general meeting granting or modifying the delegation or resolution | Nature of the delegation or authorization | Term/ duration | Effective use of authorization or delegation | Maximum authorized amount | Suspension of the delegation in case of takeover bid |
|---|---|---|---|---|---|
| | officers of the Company or of affiliated companies or economic interest groups. | | Shares 2019 pursuant to the authorization of the same nature applicable prior to June 11, 2019<br><br>On June 11, 2020, the Board of Directors granted 321,232 Performance Shares under the 2020 Plan | Maximum for corporate officers: 0.5% of capital at the day of the general meeting of June 11, 2019 | |

## 8.10. Material agreements entered into by the Company which would be amended or terminated in the event of a change of control of the Company

In connection with the bond debt issued on May 20, 2014 and September 13, 2017, the bondholders are, in the event of a change of control of the Company in favor of an acquirer that does not have a credit rating of at least BBB- (or equivalent), entitled to request the issuer to redeem or facilitate the purchase of their bonds at face value plus accrued interest, in accordance with their terms and conditions, it being specified that the Offeror has a BBB rating as disclosed in a communication from Standard & Poor's Global Ratings dated February 3, 2020. Accordingly, if the rating of the Offeror is not downgraded, bondholders will not be able to request early redemption of the bonds following the success of the Offer and the mechanism described in the terms and conditions of the bonds in the event of a change of control will not be available.

Holders of OCEANEs issued on June 26, 2015 have the right to redeem them in the event of a change of control of the Company in favor of an acquirer that does not have a credit rating of at least BBB- (or equivalent) as provided for in the terms and conditions of the said OCEANEs (as reminded in paragraph 2.6.1.2.4 of the Draft Offer Document), it being specified that the Offeror has a BBB rating as disclosed in a communication from Standard & Poor's Global Ratings dated February 3, 2020. Accordingly, if the rating of the Offeror is not downgraded, OCEANE bondholders will not be able to request early redemption of the OCEANEs following the success of the Offer and the mechanism described in the terms and conditions of the OCEANEs in the event of a change of control will not be available.

It is also specified that the opening of the Offer would cause an adjustment of the ratio for attribution of Ingenico shares in accordance with the terms specified under paragraph 1.3.4 of the Draft Response Document.

In addition, as regards the 850 million facilities agreement dated July 29, 2014 (as modified on July 22, 2016 and December 21, 2016), the lenders have the right to demand repayment of the loan in the event of a change of control of the Company (it being specified that one of the lenders has provided a condition relating to the completion of its usual "know your customer" procedures relating to the Offeror in its agreement).

Finally, under the *Schuldschein* loan agreements issued on December 19, 2017 and May 29, 2018, the lenders have the right to demand repayment of the loan in the event of a change of control of the Company in favor of an acquirer that does not have a credit rating of at least BBB- (or equivalent) (it being specified that the Offeror has a BBB rating as disclosed in a communication from Standard & Poor's Global Ratings dated February 3, 2020. Accordingly, if the Offeror's rating is not downgraded, the lenders will not be able to call for early repayment of the loan following the success of the Offer and the mechanism described in the terms and conditions of the private placements in the event of a change of control will not be available).

There are no other material agreements entered into by the Company which would be amended or terminated in the event of a change of control of the Company.

### 8.11. Agreements providing for severance and termination payment for the Company's Board members or employees if they resign or in case their term of office / employment is terminated without cause or ceases due to a tender offer

In accordance with Article L. 225-37-2 of the French Commercial Code, the shareholders of the Company approved, during the general meeting of June 11, 2020, the policy relating to the compensation of the CEO described under paragraph 3.3.1.2 of the 2019 universal registration document.

According to this compensation policy, a severance indemnity is owed to Nicolas Huss in case of forced termination of his CEO mandate due to a change of control or strategy. Nicolas Huss has waived his right to a severance indemnity for any other case of forced termination. Moreover, no severance indemnity shall be due to Nicolas Huss in case of a voluntary departure, change of duties, executive office or salary, within the group, or if Mr. Nicolas Huss has the opportunity to assert his pension rights.

The amount of the severance indemnity shall be calculated as follows:

**Indemnity = Basis x Coefficiant**

Where

The "**Basis**" is equal to (i) 18 months of Reference Compensation in the event of forced termination associated with a change of control and (ii) 12 months of Reference Compensation in the event of forced termination associated with a change of strategy.

The "**Reference Compensation**" is the average target monthly compensation, fixed plus variable, paid to the CEO for his duties as CEO for the last two full financial years ended prior to the date when his employment is terminated.

The "**Coefficient**" is equal to the average level to which the targets set for the variable compensation of the CEO, for the last two full financial years ended prior to the date when his employment is terminated, have been achieved.

## 9. PROVISION OF COMPANY INFORMATION

In accordance with Article 231-28 of the AMF General Regulation, other information relating to the Company, in particular its legal, financial and accounting characteristics, will be filed with the AMF no later than the day before the opening of the Offer and be made available in conditions designed to ensure effective and full dissemination, at the latest on the day before the opening date of the Offer.

## 10. PERSONS RESPONSIBLE FOR THE DRAFT RESPONSE DOCUMENT

"*To my knowledge, the information provided in this response document is accurate and there is no omission that could make it misleading.*"

Mr. Nicolas Huss
CEO of Ingenico

## Annex 1

## Opinion of the Works' Council

Reasoned opinion of the Ingenico Social and Economic Committee of the Ingenico Economic and Social Unit ("UES Ingenico") on Worldline's proposed Tender Offer

In the opinion that they are issuing on the proposed Tender Offer, the employee representatives would like to set out the reasons for reaching the following conclusion at this stage of the project:

The merits of the planned combination with Worldline, which could be, or should be, an opportunity to mobilise all of the employees within the two perimeters around a new project for growth offering each employee clear and motivating professional perspectives, is today largely obscured by the concerns arising out of the refusal of Worldline's Management to undertake to discuss guarantees allowing each person to be sure that they will find their place in the joint project or that, if there were departures in certain departments because of the integration, the group will devote the means necessary to assist the employees concerned in developing a new professional project.

Starting with the positive aspects, the employee representatives would like to point out, as they already did at the time of the discussions with the Management of Wordline, that they are enthusiastic at the idea of participating in the creation of a "French champion" becoming today one of Europe's, and tomorrow one of the world's, leading payment services companies.

The employee representatives are convinced of the complementarity of the two groups' products and services and of their geographical footprints and highlight the economic and strategic benefits of the transaction which would create a key player in the market of payment services in Europe, whose estimated market share of 15%, which is far from constituting a dominant position, and the depth of its offer, would place it well ahead of its closest competitors.

The employee representatives also note the commercial synergies resulting from the combination and consider that Ingenico's worldwide presence could be an undeniable asset allowing the new group to expand payment services beyond its European bases.

This transaction, which is in line with the current trend of consolidation in the fast growing market of payment services, should be an opportunity for everybody to be mobilised around a unifying project.

Attaining this objective, as the representatives had also emphasised at the first session with the Worldline Management, depends on everybody adhering to the project, and requires that the Ingenico employees and employee representatives, like the Worldline employees and their representatives, be fully involved in the project for growth and in the success of the strategy of the new group.

Aware that, at this early stage of the project, the legal and regulatory issues mean that the practical details of integration and the social impact for both perimeters cannot be determined precisely, the Ingenico employee representatives have proposed to the Management of Worldline that they give undertakings on a framework of guarantees to be negotiated so that, at this current stage now, the Ingenico employees can be reassured and their interests be defended, in order to create a positive social dynamic around this project.

This point is essential as the uncertainties relating to the fragmented elements made available to the employee representatives and the current period are significant factors of concern for Ingenico's employees in France, and even worldwide. This uncertainty could generate talent leakage and more globally demotivation of the workforce collectively, even global tension concerning the project; which is not what the employee representatives want.

To clarify and ensure the uncertainties and the social issues are better understood, the employee representatives set out below a few major points:

- First of all, concerning the future of the B&A BU:

  While the representatives are convinced of the synergies between the other businesses of Ingenico and Worldline and of the benefit that the group would have by allowing implementation of its strategy within the new entity, the Management of Worldline said it wanted to carry out a strategy review which could ultimately result in the exclusion from the combination perimeter of a business unit which provides activity and a livelihood to "a mere" half of the 8,650 Ingenico employees in the world and of the 950 employees in France...

- Ingenico's corporate head office employees are by definition at risk, representing a total 220 people in France

- As for the Retail employees, comprising 300 people in France and 4,200 worldwide, they are positioned in the business which is the most directly comparable to Merchant Services and will probably therefore be more impacted by integration

- Transversally across all of the relevant businesses, the options which could be contemplated following integration are numerous and many of them could give rise to significant issues regarding harmonisation of the collective agreements already highlighted in the expert's report

The representatives have noted the measures being taken by the Management of Worldline to limit the social impact (freeze on hiring and on internal mobility, etc.). They would moreover like the Management of Ingenico to provide information on these subjects. They have also heard the reassuring discourse of the Management of Worldline concerning the needs generated by the growth in activity and concerning its experience of successful integration.

However, it is not obvious that the needs in job positions due to growth and preparatory measures for the combination will "match" the overcapacity relating to the potential superfluity of certain positions. The planned transaction will certainly involve employee mobility, or even departures.

On this subject, the representatives do not question the experience of Worldline in integration but must emphasise that the combination with Ingenico would not be a transaction comparable to those that Worldline has undertaken in recent years.

It is a first in several respects:

- Worldline is acquiring, for more than €8 billion, an entity which is bigger than itself in terms of business and increasing its headcount by 70% worldwide!
- It is acquiring the world's largest payment terminals specialist representing 50% of the group's sales and headcount, but its offer was not at all motivated by this business
- The Retail business, the main motivator for the offer, would more than double, in terms of headcount and sales, its equivalent Merchant Services, which already represents €1.1 billion and more than 3,500 people
- It is acquiring a group whose global head office is based, like its own, in Paris

In conclusion,

All of these reasons have led the employee representatives on the Social and Economic Committee to propose to the Management of Ingenico and of Worldline a way of reassuring the French employees, through the formalisation of an agreement on social guarantees, prior to Closing, relating to a wide range of matters including: employment, the resources allocated to employee mobility, to training, to accompanying employee departures as the case may be, to representation of the Ingenico employees within the employee representative bodies as well as within the decision-making bodies of the new group, etc.

The employee representatives regret that the Management of Worldline has not yet, in view of its current position, seized the opportunity to adopt a constructive approach aimed at reassuring the Ingenico employees, which leads the employee representatives to issue a more ambivalent opinion (*avis plus mitigé*) than they had hoped at the time of the announcement.

They hope that this opinion is a means of ensuring the legitimate requests made on behalf of the Ingenico employees they represent are better understood and that the Management of Worldline will be able to seize the opportunity presented by the employee representatives to create a positive social dynamic around the project.

## Annex 2

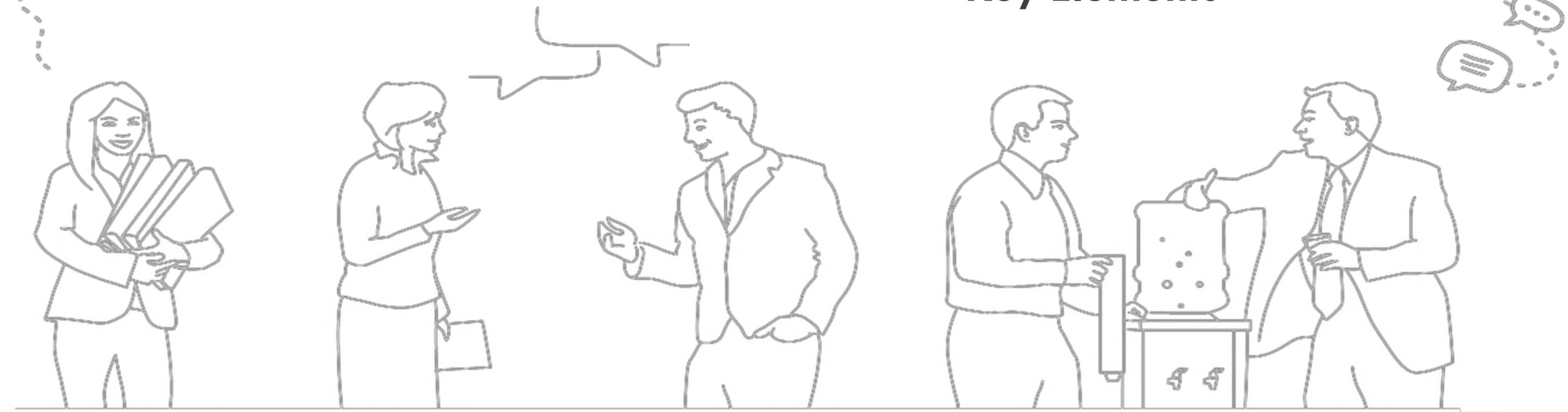
**Summary of Tandem Expertise's report**

Tandem expertise

# INGENICO

## Worldline Tender Offer

## Key Elements



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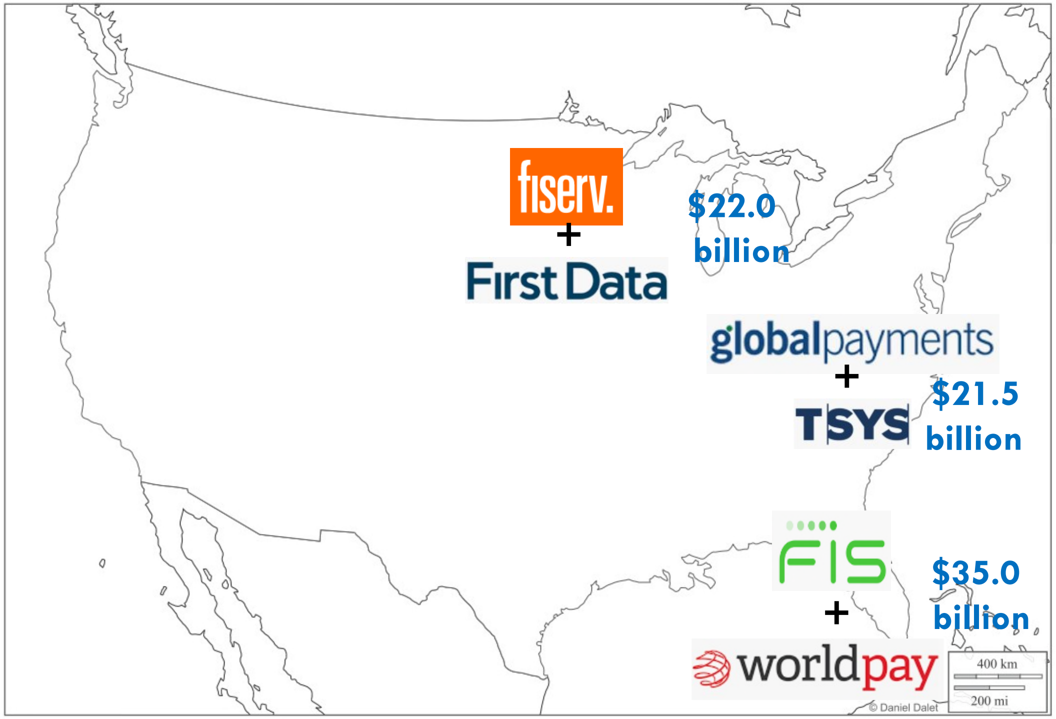
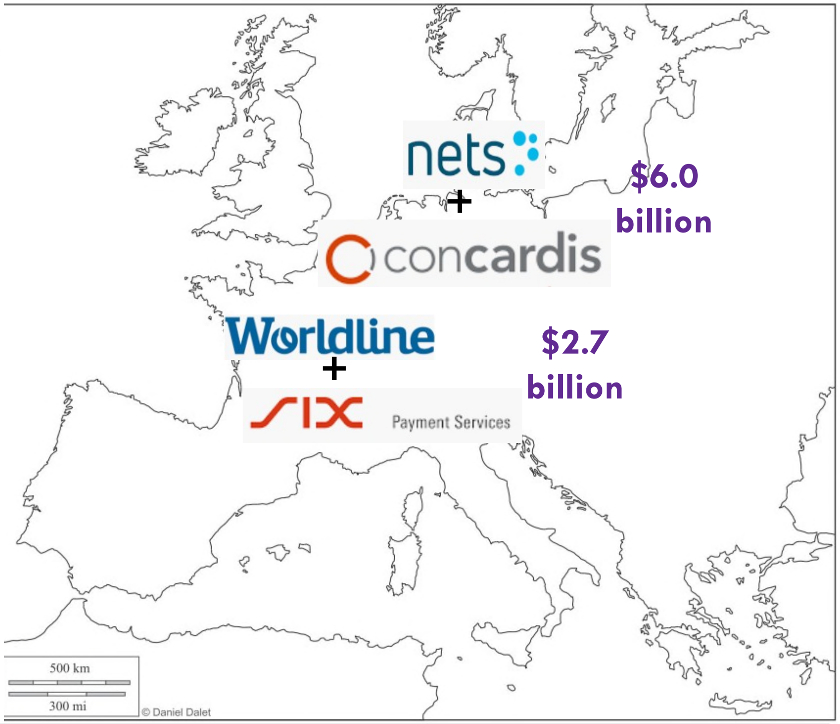
Tel.: +33 (0)1 55 42 22 22 – Fax: +33 (0)1 43 25 02 75 – tandemexpertise.com
Chartered accountancy firm, registered on the roll of professional accountants of Paris Ile-de-France
Simplified joint stock company (SAS) with share capital of 400,000 euro SIREN No. 437 759 053-RCS Paris

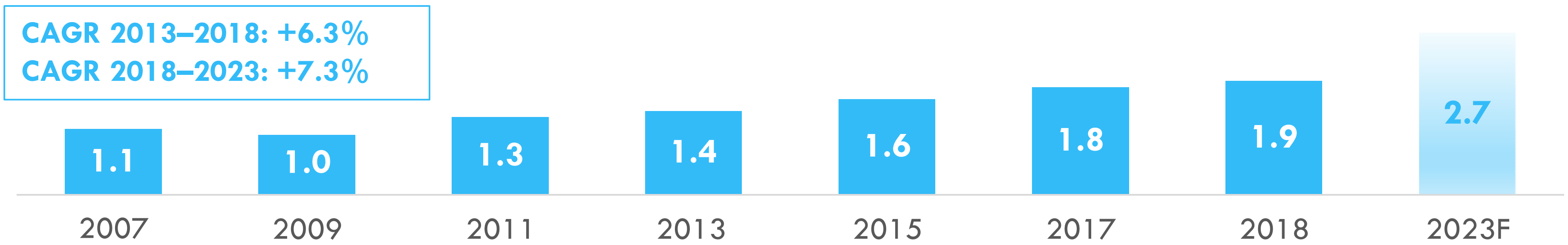
# THE MIXED PUBLIC OFFER COMES AT A TIME OF CONSOLIDATION OF THE PAYMENT SERVICES MARKET…

| United States | Europe |
|---|---|




**Revenue from the payments market (in thousands of billions of euro)**





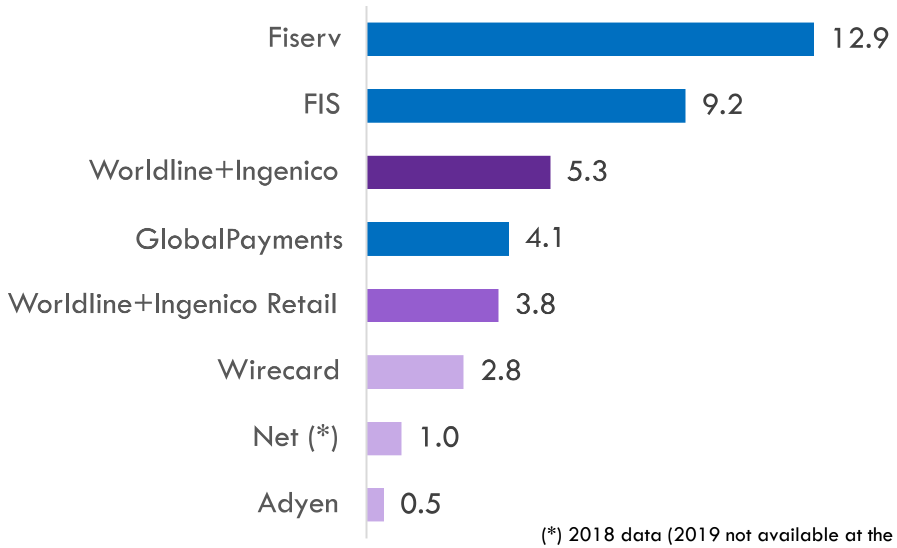

Source: Global Payments Report 2019, McKinsey

# …AND GIVES RISE TO A STRONG LEADER ON THE EUROPEAN MARKET…

## Key Figures for the New Entity

- ✓ Combined Revenue: €5.3 million (excluding synergies)
- ✓ Combined EBITDA: €1.2 billion (excluding synergies)
- ✓ Workforce: ~20,000 employees
- ✓ 1,200 client financial institutions
- ✓ 1 million merchants
- ✓ 2.5 billion transactions processed (Merchant Services)
- ✓ 250,000 e-commerce customers
- ✓ 35 million terminals installed
- ✓ Connection to more than 150 local acquirers
- ✓ Management of more than 350 payment methods
- ✓ No. 1 in payment services in Europe in revenues

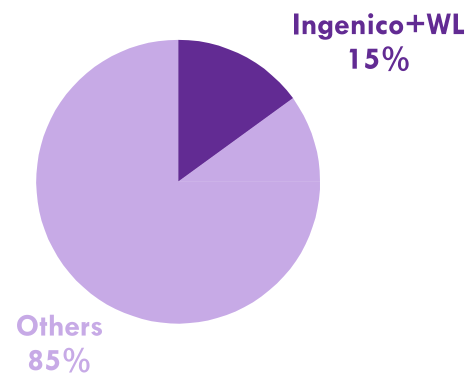
## 2019 Revenues of the Main Players on the Market (€ billion)




(*) 2018 data (2019 not available at the time of writing)

0 In Europe, the payment services market will remain highly fragmented after the deal (unlike the United States where the top 3 players process 75% of transaction volumes), but, with 15% estimated market share, the new entity would become a key European player: The size and depth of its offering make it a key player for customers and stakeholders in the payment services ecosystem and well placed to take advantage of opportunities (growth and economies of scale) offered by the European Single Market

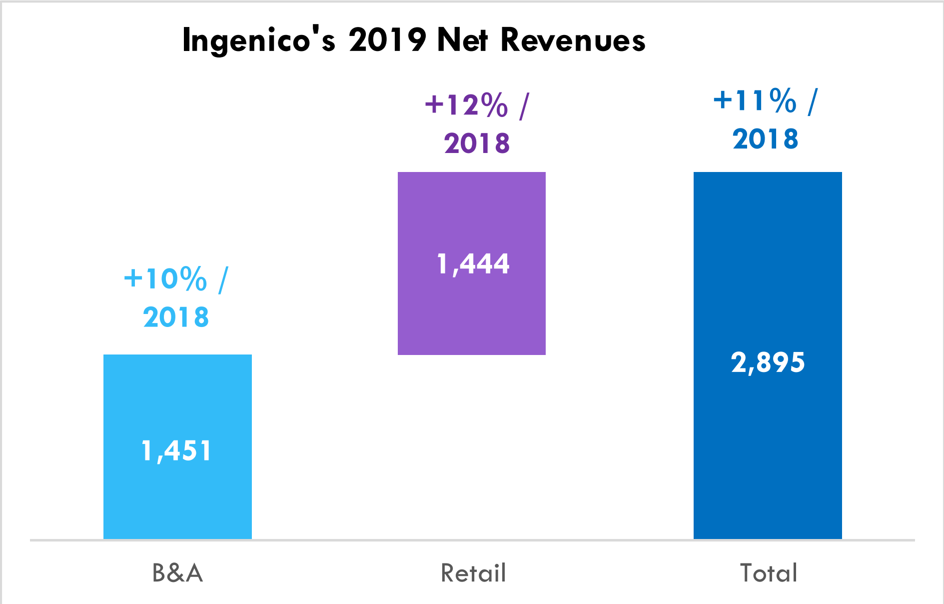
## Market Share in Europe

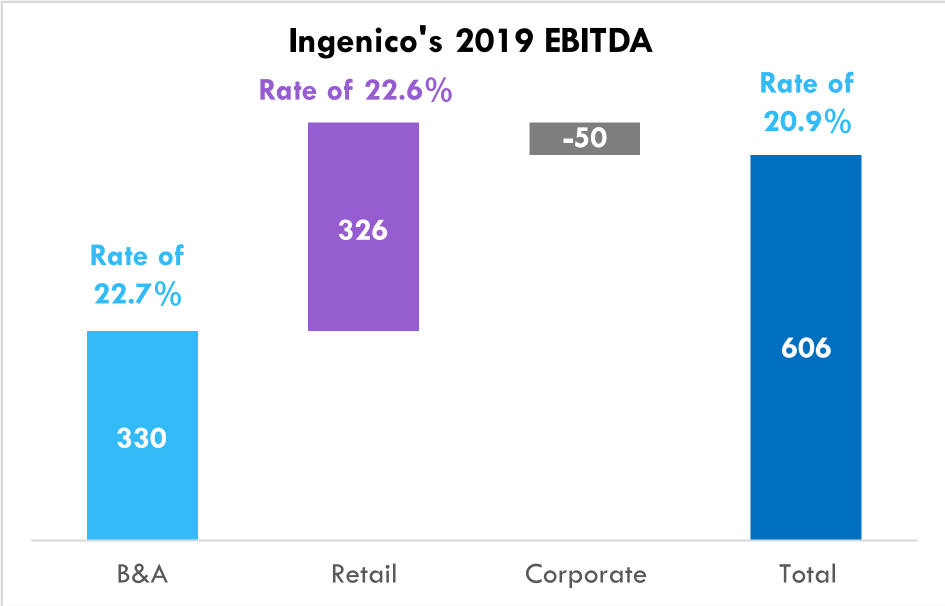


# …GEOGRAPHICAL AND BUSINESS COMPLEMENTARITY OF THE TWO PLAYERS

| Geographical Presence | Ingenico | Worldline |
|---|---|---|
| **In Europe** | • Presence in Germany (Payone) and the Nordic countries (Bambora)<br>• Presence in France thanks to terminals and acceptance services | • Presence in Benelux (Equens), Austria and Switzerland (SIX Payment Services)<br>• Presence in France thanks to financial processing |
| **Outside Europe** | • International presence thanks to its base of installed terminals | • Presence in India for financial services<br>• Weak presence elsewhere |
| **Activity** | **Ingenico** | **Worldline** |
| **Directly related terminals and services** | A world leader in the field, presence with banks and acquirers through this activity, a recognized brand | Low market share and few terminals sold to third parties |
| **Merchant services** | **Present through Retail Business Unit**<br>Reputation for in-store acceptance (Axis)<br>Present for online/collecting through BL GO Under development for acquisition (Bambora) | **Present through GBL Merchant Services**<br>Acceptance offering less recognized<br>Low presence for online/collecting<br>Strong position for in-store acquisition |
| **Financial services** | Almost nonexistent | Presence in Europe and with banks and acquirers |
| **Related services (mobility, digital transition, etc.)** | Almost nonexistent | Present through GBL M&ETS (about €350m in revenue in 2019) |

# FOR INGENICO, THIS OFFER COMES AT A TIME WHEN THE GROUP SHOWED VERY GOOD 2019 PERFORMANCE…



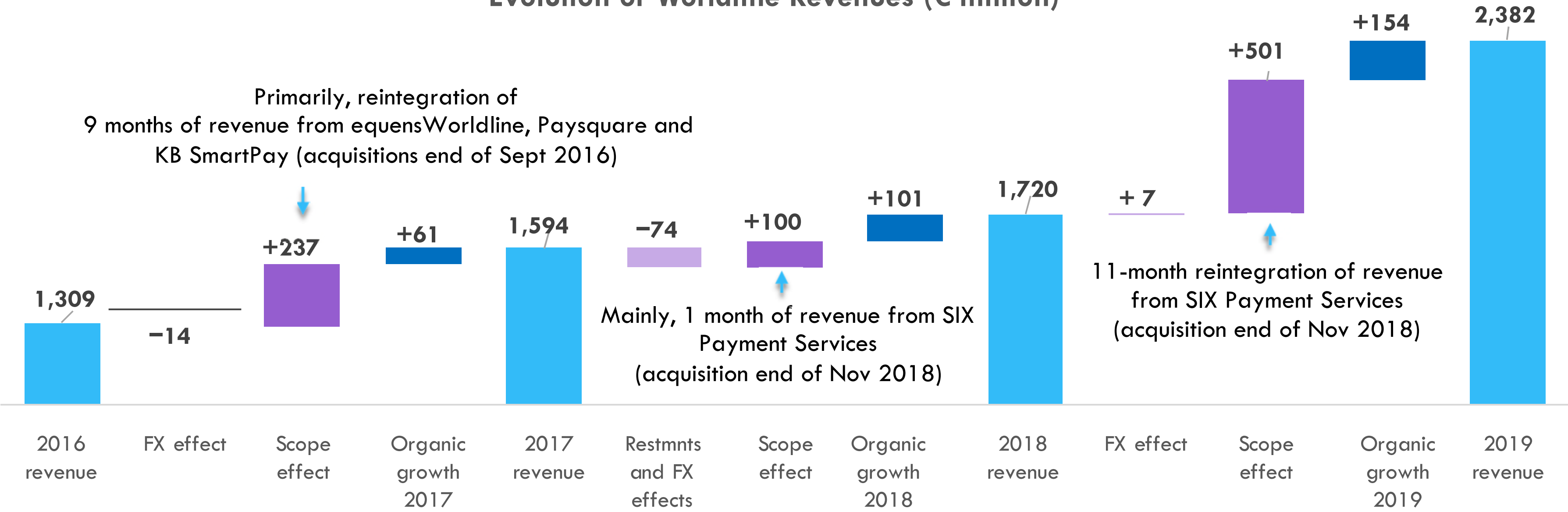

Note: The data above is in the new reporting format and includes the IFRS 16 impact. The reported revenue growth rates are like-for-like at constant exchange rates.

- Ingenico's two business units performed very well in 2019, after a broadly complicated 2018 fiscal year, given the three profit warnings that significantly weighed on the stock market at that time, particularly causing a change in general direction
- The observed turnaround in fiscal year 2019 seemed to mark the beginning of renewed confidence, even if analysts continue to wait for the disposal of the B &A activity, despite the business unit's new strategy and synergies with Retail, which was put forward by Ingenico's management
- However, this improvement and the increase in market capitalization have not changed the finding of the last three years: Ingenico has gone from a potential market consolidator status evidenced by its Worldpay tender offer for €9 billion in 2015 to that of the target

# …WHILE WORLDLINE HAD A FISCAL YEAR MARKED BY THE EFFECT OF THE ACQUISITION OF SIX PAYMENT SERVICES THROUGHOUT THE YEAR

- Over 2016–2019, the size of the group has almost multiplied by 2: +€1.073 billion, including €838 million (78%) related to external growth operations, €316 million (29%) in organic growth and −€81 million related to foreign exchange effects and restatements

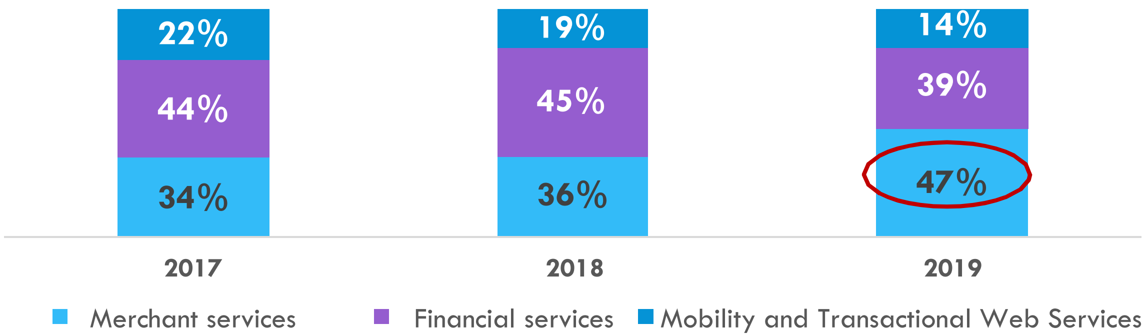
**Evolution of Worldline Revenues (€ million)**




*FX: changes*

- With the acquisition of SIX Payment Services, the Global Business Line Merchant Services becomes the greatest contributor to the Group's revenue

**Breakdown of Revenues (real) in %**



# A SCOPE EFFECT THAT MUST NOT OBSCURE WORLDLINE'S ORGANIC GROWTH, EVEN IF IT REMAINS SIGNIFICANTLY LOWER THAN THAT OF INGENICO

- In 2019, Worldline's performance was good, with 6.9% for the Worldline group and 6.6% for the only GBL Merchant Services on a comparable basis

☞ However, this performance is down compared with Ingenico (+10.9%) and even more compared with Retail (+12.2% ), which posted 2019 revenue 1.3 times higher than that of Merchant Services

Note that revenue remains ever higher after the sale of terminals and services in the merchant services activity has been neutralized

| Worldline | Revenue | *Organic Growth Rate* |
|---|---|---|
| Merchant services | €1,119 million | *6.6%* |
| Financial services | €918 million | *5.9%* |
| Mobility and Web Services | €344 million | *10.8%* |
| **Total** | **€2,382 million** | ***6.9%*** |

| Ingenico | Revenue | *Organic Growth Rate* |
|---|---|---|
| Retail | €1,444 million | *12.2%* |
| B&A | €1,451 million | *9.7%* |
| **Total** | **€2,895 million** | ***10.9%*** |

**Merchant Services/Retail 2019 (€ million), excluding terminal sales**

# DESPITE 2019 REVENUES 20% LOWER, WORLDLINE'S GROSS OPERATING MARGIN IS ALMOST EQUAL TO THAT OF INGENICO

- lower revenue (−18% compared with Ingenico), but higher profitability (+4.4 pts)

| In € million | Ingenico | Worldline | Gap (%) |
|---|---|---|---|
| Revenue (net of ICF) | 2,895 | 2,382 | −18 |
| OMDA/EBITDA (after IFRS 16) | 606 | 602 | −1 |
| *Operational profitability (%)* | *20.9* | *25.3* | *4.4 pts* |

- Higher profitability primarily related to the positive effect of Worldline's historical financial services activity
- For the two most directly comparable activities, i.e. Merchant Services and Retail, profitability gaps are low (1.1 pts compared with Retail) and EBITDA of Merchant Services remains lower (−19%)

Worldline OMDA (after IFRS 16)

| In € million | 2019 |
|---|---|
| Merchant services | 265.3 |
| *In % of revenue* | *23.7%* |
| Financial services | 307.2 |
| *In % of revenue* | *33.4%* |
| Mobility and Web Services | 53.4 |
| *In % of revenue* | *15.5%* |
| - Corporate costs | -23.7 |
| *In % of revenue* | *-1.0%* |
| **Total OMDA** | **602.2** |
| *In % of revenue* | *25.3%* |

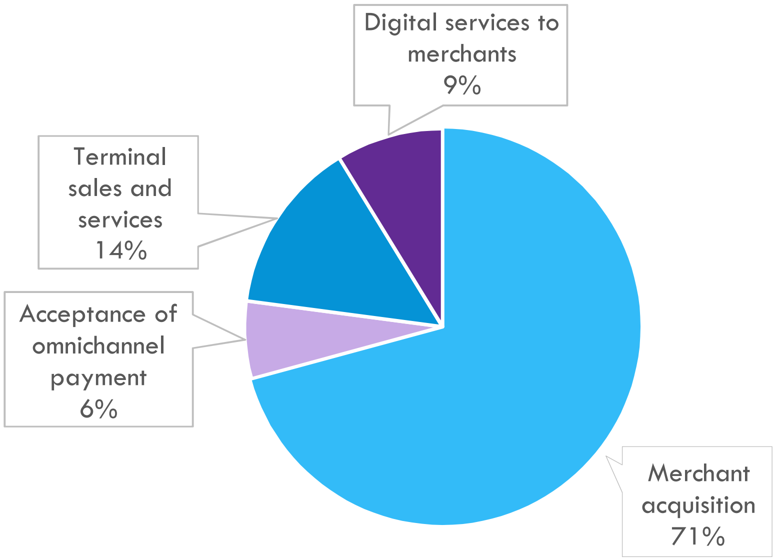
Ingenico EBITDA (after IFRS 16)

| In € million | 2019 |
|---|---|
| Retail | 326.0 |
| *In % of revenue* | *22.6%* |
| B&A | 330.0 |
| *In % of revenue* | *22.7%* |
| - Corporate costs | -50.0 |
| *In % of revenue* | *-1.7%* |
| **Total EBITDA** | **606.0** |
| *In % of revenue* | *20.9%* |

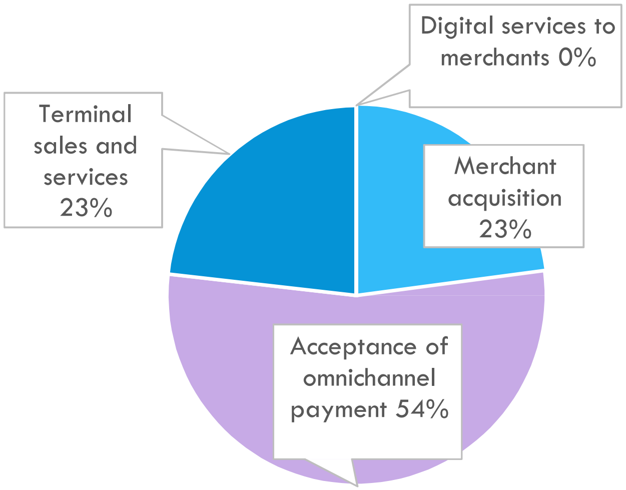
# LIKE RETAIL, WORLDLINE'S REVENUES ARE EUROPE CENTERED, AND THE BREAKDOWN OF MERCHANT SERVICES SALES INDICATES A COMPLEMENTARY OFFERING

- 93% of the group's Worldline revenue is in Europe
  - ☞ Note: Ingenico's profile is more international thanks to its B&A Business Unit, but this is more uneven for the Retail Business Unit, which also focuses on Europe with some additional revenues, particularly in India, Australia and the United States and the specific case of Global Online customers in Asia
- The same target (merchants) for BL Merchant Services and the Retail Business Unit, but the positions of offerings remaining complementary:
  - Ingenico Retail's stronger positions in the omnichannel and online payment acceptance segments and terminal sales (omnichannel payment acceptance is only part of the online activity for Merchant Services (in fact about 20% of the revenue), with part being reported under merchant acquisition).
  - With the purchase of SPS, Worldline improved its position in acquiring services (in-store)
    - Note: The revenue of the Retail Business Unit by activity was divided based on the same breakdown as that for Worldline; it is an approach that must be fine-tuned

**Breakdown of 2019 Revenue Merchant Services**




**Breakdown of 2019 Revenue (Net) Ingenico Retail BU (Estimate)**



# WORLDLINE HAS A STRONGER FINANCIAL STRUCTURE THAN THAT OF INGENICO

- A distinct financial profile:
  - A higher net debt ratio for Ingenico: 52% (compared with 20% for Worldline)
  - A 2.2 leverage for Ingenico, while Worldline's remains low at 1.1, despite an increase in net financial debt (issuance of bond loans for the financing of equensWorldline's minority interests)
    - Note, however, that the deleveraging of Ingenico during the year resulted in a sharp reduction in its debt ratio
- …which results from the financing arrangements for their respective external growth operations:
  - For Worldline, exchange of shares for the acquisition of SIX Payment Services
  - For Ingenico, except for Payone JV, cash acquisitions (Bambora, Paymark, etc.)

| Worldline | 2017 | 2018 | 2019 |
|---|---|---|---|
| Equity | €1,426m | €3,808m | €3,221m |
| Net financial debt | −€309m | €35m | €641m |
| **Net financial debt/OMDA** | ***insignificant*** | **0.1** | **1.1** |
| **Net debt/equity (gearing)** | ***insignificant*** | **1%** | **20%** |

| Ingenico | 2017 | 2018 | 2019 |
|---|---|---|---|
| Equity | €1,843m | €1,850m | €2,513m |
| Net financial debt | €1,471m | €1,518m | €1,307m |
| **Net financial debt/EBITDA** | ***3*** | **3.1** | **2.2** |
| **Net debt/equity (gearing)** | ***80%*** | **82%** | **52%** |

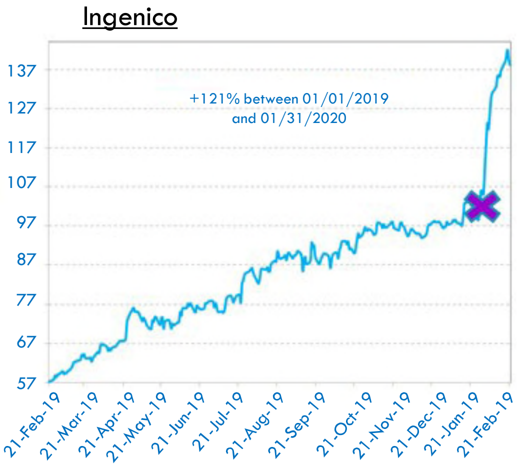
# THE TENDER OFFER, AT WORLDLINE'S INITIATIVE, IS A MAJOR NEW STEP IN ITS MARKET CONSOLIDATION STRATEGY: IT TOOK SHAPE IN THE FALL OF 2019…

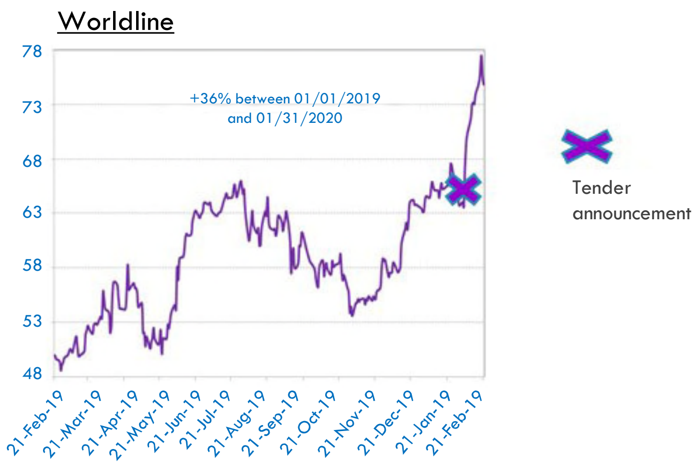
**Major dates in the merger**

| November 4, 2019 | November 17, 2019 | January 12, 2020 | February 2, 2020 | February 3, 2020 |
|---|---|---|---|---|
| Confidentiality agreement and start of contacts | Worldline sends a nonbinding indicative tender to Ingenico (valuation of €108.1/share) | Sending a revised indicative tender (valuation of €123.8/share) | Unanimous agreement of the Board of Directors | Official announcement |
| | Continuation of discussions | Continuation of discussions | Signing of merger agreement between Worldline and Ingenico | |
| | | | Signing of memorandum of understanding with DSV and S-Payment | |

- Despite Ingenico's stock market surge in 2019, the purchase transaction is at a relevant time for Worldline:
  - Separation with Atos is confirmed (deconsolidation in 2019), and Worldline has proved its autonomy
  - The takeover of SPS took time and monopolized the teams in the previous months
  - Worldline's price has returned to its highest, which is crucial because it is a means of payment
  - If the Ingenico price had been lower, Ingenico management would have refused to accept this friendly tender
  - Ingenico's new strategy has begun to deliver encouraging results

**Comparative evolution of Ingenico and Worldline prices over 12 months**

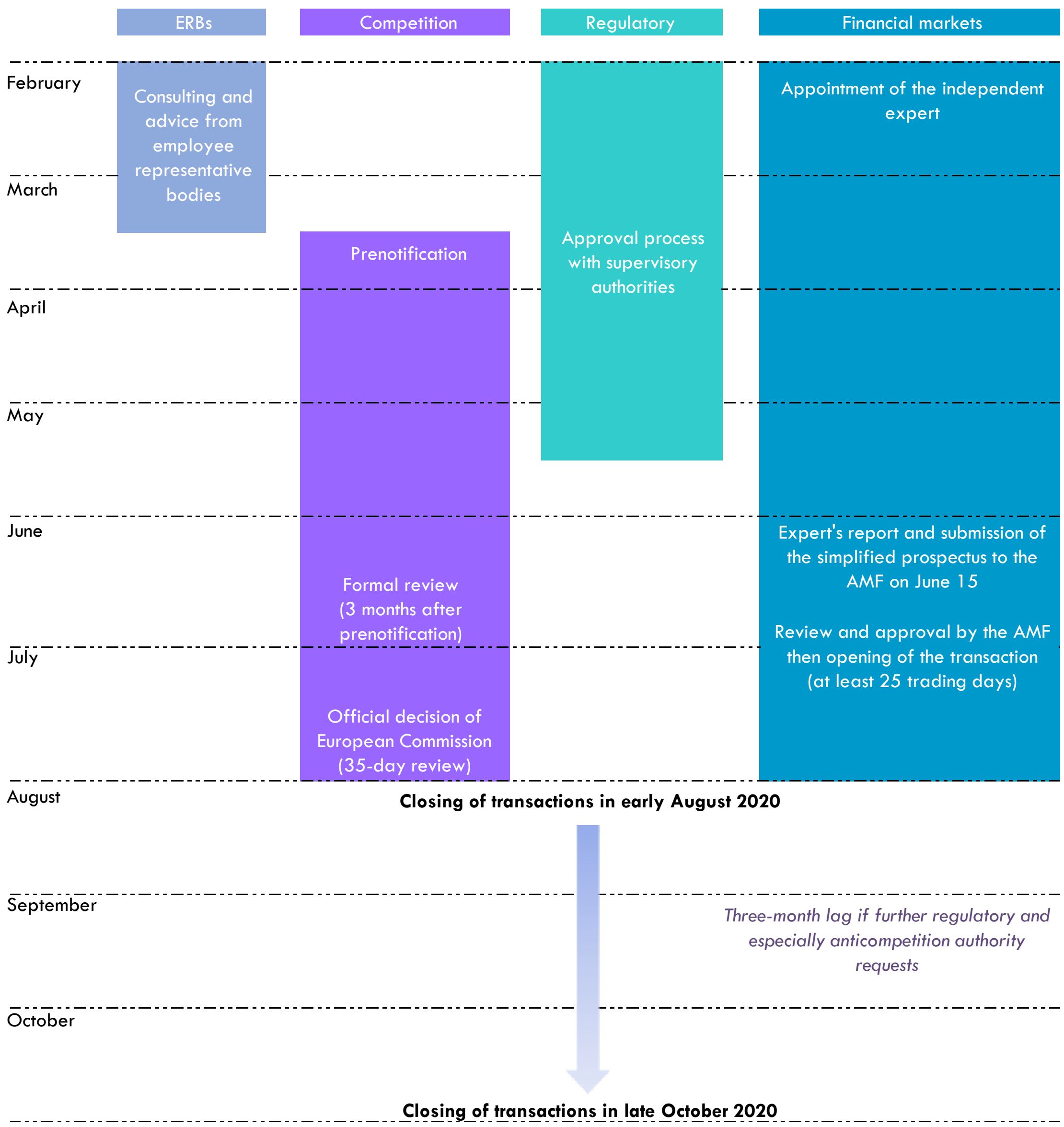


# …AND THE TRANSACTION COULD CLOSE AS EARLY AS THE SUMMER

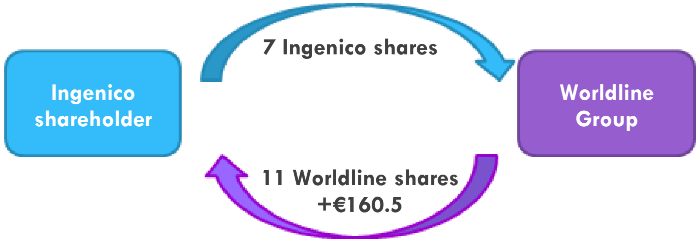
- In its fastest version, the transaction could be closed by early August, the key point being the length of the European Commission's authorization process, which could add about three months to this deadline.
- At this point, in any case, investors anticipate a successful tender and low impact of competition authorities. Worldline and Ingenico prices have adjusted to the parities of the tender and will now evolve as future announcements evolve:
  - Opinion of Ingenico Economic and Social Committee
  - Detail of simplified prospectus with the expert's report
  - 1st quarter sales
  - General Meeting of Shareholders
  - Level of demand from competition authorities
  - Success rate of the Tender
  - First joint results
  - Decision on B&A activity

**Simplified schedule for Ingenico's takeover**



# THE MIXED PUBLIC OFFER FOR A MAXIMUM AMOUNT OF €8.4 BILLION PRESERVES THE FINANCIAL STRUCTURE OF THE NEW ENTITY…

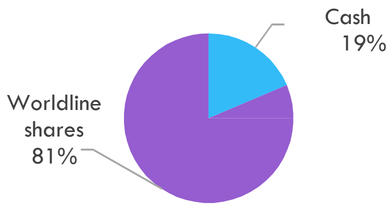
- Under the terms of the Tender, Ingenico's shareholders would receive 11 Worldline shares and €160.5 in cash for 7 shares; this is the "Main Tender" with two subsidiary offers. An offer is also made for OCEANEs bonds.



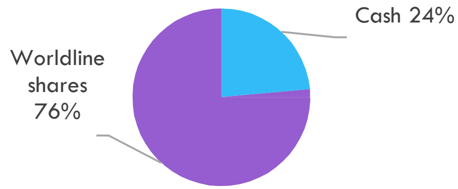

Based on the Main Tender, the Ingenico shareholders thus receive both Worldline shares (they become Worldline shareholders) and cash.
This mixed compensation mechanism enables Worldline to limit the amounts to be financed by debt/cash because it pays for the transaction with its own shares.

- In the end, the offer would represent the equivalent of €8.4 billion, including the OCEANEs bonds (€7.9 billion excluding them) with a majority share in Worldline shares.

**Share offer –€7.9 billion***



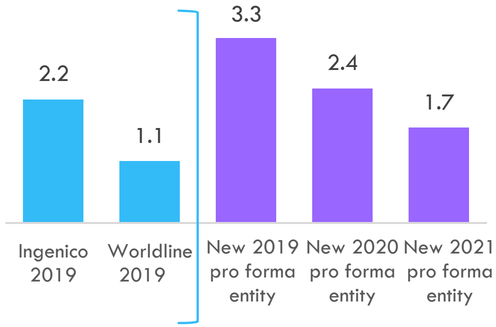

**Share and OCEANEs bond offer – €8.4 billion***




* Base price as at 01/31/2020
Assumption about OCEANEs: full payment in cash

- This arrangement preserves the financial situation of the new entity:
  - Worldline can reaffirm its financial policy of maintaining a net debt-to-EBITDA ratio of 1.5x to 2.5x, which corresponds to its current BBB rating/stable outlook
    - We anticipate a rapid reduction in this ratio between 2019 pro forma and 2021 (from 3.3x to 1.7x) by integrating the €2 billion cash cost of the transaction.
  - The debt ratio should thus remain under control (41% pro forma 2019 versus 20% for Worldline pre-transaction).

**Net debt ratio/EBITDA**



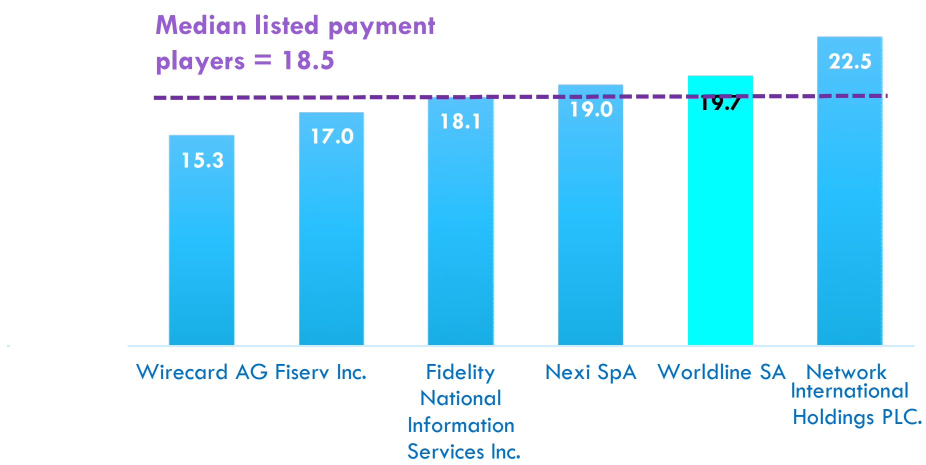



Tandem expertise

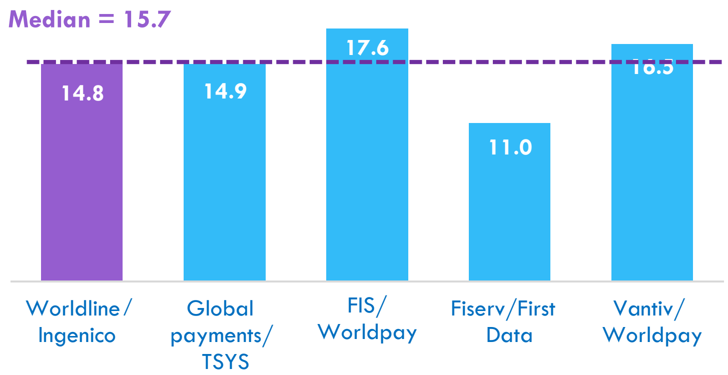
# …OFFERING A SATISFACTORY VALUE TO INGENICO FOR ITS SHAREHOLDERS…

- Even if Ingenico takeover offer highlights multiples of Enterprise Value /EBITDA lower than the sector's recent transactions, listed payment players, and Ingenico's past transactions (Bambora as an example: 41 times the current year)

**Multiples 2020 EV/EBITDA for a few listed payment players**

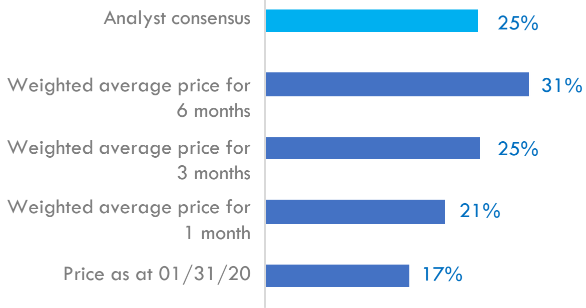



**Multiples of EV/EBITDA of the latest payments from the latest transactions in the sector**




- …it reflects current consideration of an even higher discount on B&A activity that Ingenico management has not had the time to reduce…
  - Analysts valuate B &A activity to date at about €2.4 billion, a multiple of 7.9 times 2019 EBITDA when the offer highlights a multiple of 26.2 times for Retail (~20 times 2020 EBITDA)
  - A gap that must in theory be reduced with the strategy of transforming the B&A model
- …but reveals an **average discount of 20%** on past prices, in line with similar transactions, which led to the approval of the Ingenico Board for €120 per share.

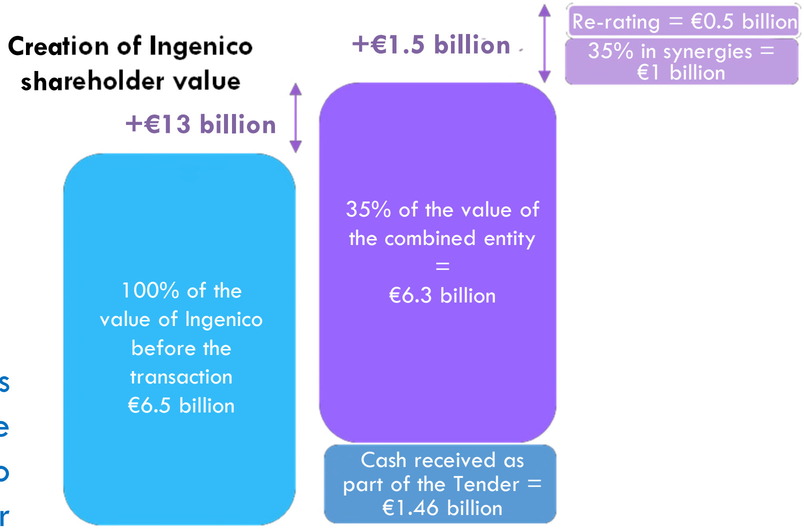
**Bonus offered to Ingenico shareholders (base 123.1 euro)**



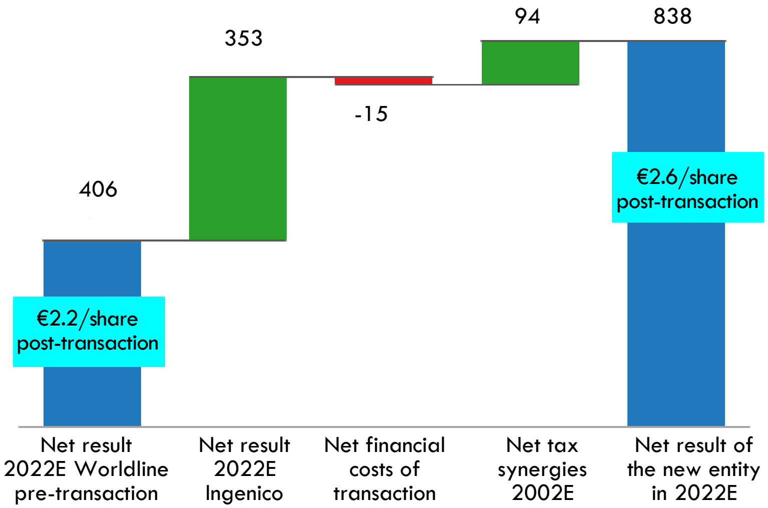
# …A HIGH-VALUE CREATION FOR BOTH PARTIES…

- We estimate the creation of 42% in value for the Ingenico shareholders, which is high, amounting to €2.8 billion by integrating:
  - their share in their new entity (35%),
  - the valuation of synergies,
    - 12 times €250 million, or €3 billion at 100%
  - an increase in the multiple EBITDA of the new entity by 1 time.

- Based on the impact of Ingenico's takeover on Worldline net earnings per share ("transaction accretion"), we estimate the creation of value for Worldline shareholders at 18% for 2022 and 33% thanks to synergies, without taking into account the re-rating of the new entity or restructuring costs.
  - This reflects the valuation gap of the two groups: Worldline is better valuated than Ingenico and buys it in part with its shares, which mechanically advances its net earnings per share.
  - This level is quite attractive but includes the result of the B &A activity, which has a high contribution in the calculation (50% of Ingenico's 2019 EBITDA):
    - **an assignment of B&A would have to have an impact on the accretion;**
    - **the creation of value resulting from a re-rating of this activity by the market would likely be higher than that obtained by assignment** (except to achieve a multiple greater than 7/8 times EBITDA).




**Transaction accretion for Worldline's net result in € billion**



# .. AND BALANCED GOVERNANCE WITH POST-TRANSACTION SHARE OWNERSHIP DOMINATED BY SIX GROUP

- Worldline announced its intention to establish balanced post-transaction **governance** with:
  - At the Worldline Board, proportional representation of Worldline and Ingenico:
    - 10 current Worldline members (excluding employee representatives)/1 member nominated by SIX Group;
    - 4 members from the Ingenico Board (including Bernard Bourigeaud and 3 independents)/1 member designated by DSV/1 member designated by BPI (if its share is more than 4% of the capital of the new entity).
  - Separate roles for Chairman of the Board and CEO of Worldline:
    - The first term of office of Chairman of the Board of the consolidated group would be exercised by **Bernard Bourigeaud,**
    - The duties of CEO would be exercised by **Gilles Grapinet**, the CEO of Worldline.
  - Within Ingenico, the Board's membership would be reviewed with a majority of Worldline members.
- Given the Worldline payment in share to the Tender contributors, Ingenico's current shareholders will become Worldline shareholders, up to 35%.
  - Based on the shares of the two pre-transaction entities (*source Euronext on 02/18/20*), the first shareholder of the new entity would be **SIX Group (17.5% estimated)**, while Atos would represent 2.5% of the entity (its share was reduced in early February). BPI has announced its intention to buy Worldline shares on the market to maintain its current share in Ingenico within the new entity.

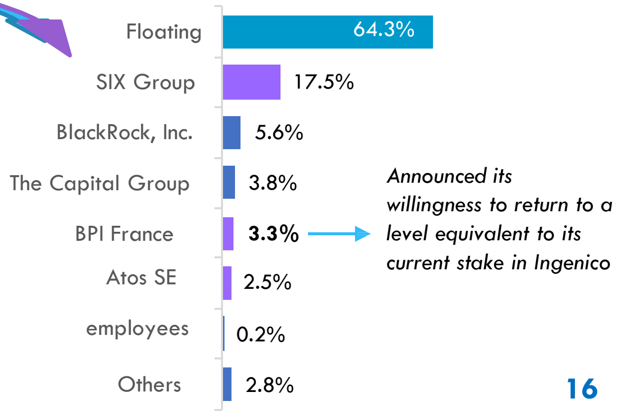
X 65%

| Worldline's main shareholders as at 18/02/2020 | % |
|---|---|
| SIX Group | 26.86% |
| The Capital Group Companies | 5.87% |
| BlackRock, Inc. | 5.56% |
| Atos SE | 3.82% |
| BPI France | 2.20% |
| Self-monitoring | 0.34% |
| Employees | 0.19% |

X 35%

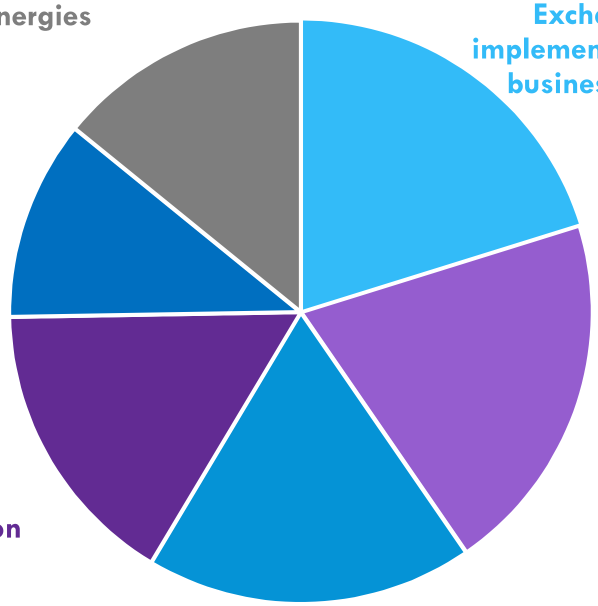
| Ingenico's main shareholders as at 18/02/2020 | % |
|---|---|
| BlackRock, Inc. | 5.71% |
| BPI France Shares | 5.31% |
| Allianz Global Investors | 4.84% |
| Self-monitoring | 2.15% |
| CNP Assurances | 0.37% |
| Employees | 0.25% |

**Estimated share ownership of new entity post-transaction**



# THE RATIONALE OF THE TRANSACTION IS THEREFORE BASED ON BOTH COMPLEMENTARITIES AND SUBSTANTIAL SYNERGIES…

**Distribution of €220 million in synergies with OMDA impact**



Improved ability to respond to customer needs (overall offering) and cross-sell gains (especially for acquisition)

**~€31 million in business synergies**

**~€44 million Exchange and implementation of best business practices**

Issue of Ingenico best practices, which will be identified by Worldline during subsequent operational consolidation

Economies of scale rationale, corresponding to one of the FFG sites

**~€24 million Profit from the scale effect for purchases**

**~€44 million in synergies for platforms**

Risk for timeline and technical complexity of integrating diverse existing platforms at Ingenico

**~€35 million Optimize terminal operation**

Very important level if applied only to M&S terminal base

**~€40 million Merger of support functions**

To refer to an uncommunicated cost base incorporating the central support and BU/GBL functions

Risk for head office teams and employees performing "strictly corporate" duties + issue for local teams depending on operational integration

# …THAT WILL CONCERN THE RETAIL BUSINESS FIRST, ALTHOUGH THEY SHOULD NOT CHALLENGE THE OVERALL STRATEGY OF THE BU…

**For Retail, initiatives are retained to maintain growth momentum, except for putting Bambora on standby for Enterprise acquiring solutions in certain areas**

| Issues concerning business synergies and antitrust problems | |
|---|---|
| Payone | Strengthening Payone on its German and Austrian bases and competition maintained in Switzerland with SPS. Given the highly fragmented market in Europe, the combined Ingenico+Worldline entity would not hold a market share that would generate competition issues according to management. |
| Global Online | WL only has a weak presence online and outside the European continent ( ≃ €25m revenue vs ≃ €600m for Ingenico). WL, which is quite present on the gateway, does not provide a full service solution comparable to GO => initial strategy of GO a priori not questioned. |
| SMB | Bambora, as an acquirer, is considered by Ingenico to be the spearhead for international implementation, the coexistence of two acquisition offers according to a geographic breakdown that can be an option. |
| Enterprise | The risks of business conflicts on the gateway instore part would be limited due to the well-established reputation and good results of Axis. For the part corresponding to ex-Ogone offers, the risks would be greater, even if Retail management indicated that, by analyzing the details of the activities, Ogone would not be positioned on the same activities as WL. |

**Synergy issues of technology platforms and offers**

The migration of Ingenico platforms to WL platforms may be considered (which, in parallel, continues to integrate the platforms stemming from its acquisitions (SPS, Equens). However, the fact that the platforms cover different activities (acceptance for Ingenico, acquisition for WL), with a weak online presence for WL and proven volume absorption and growth capabilities for Ingenico, encourage caution regarding rationalization opportunities and target choices

Synergies also envisioned for the data center even if in this area, the rationalization work initiated by Ingenico should not be interrupted in the short to medium term

In terms of offers, in the short term, the synergies should focus first on future developments (rationalization of roadmaps)

# … WHILE FOR B&A, ISSUES ARE FIRST RELATED TO THE ANNOUNCED STRATEGIC REVIEW

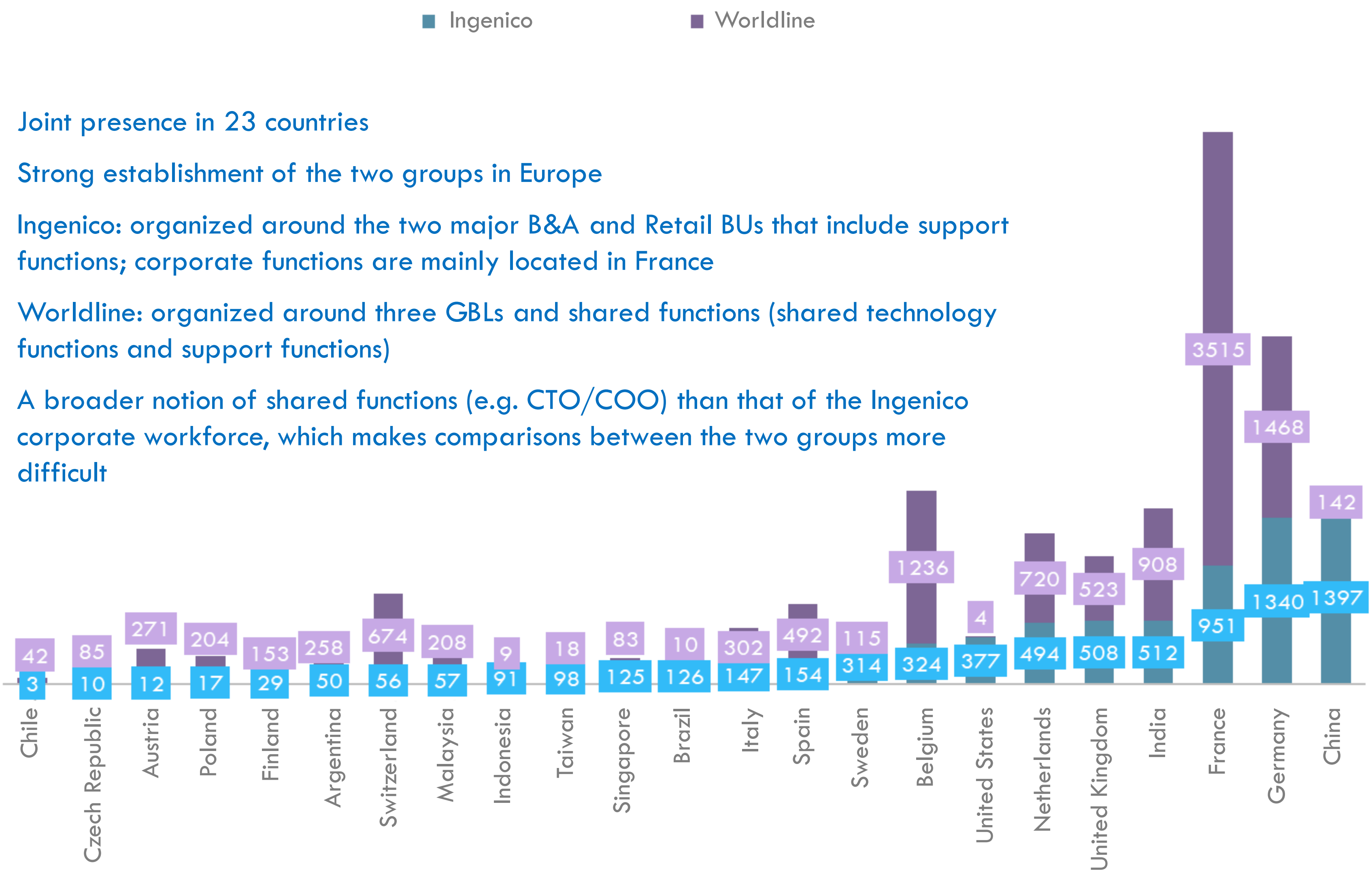
- Worldline management clearly shows that the motivation for the offer was dictated by the Retail activities **and synergies permitted by the area of joint activity** also indicating that before the acquisition of Bambora and the joint venture with Payone, the rapprochement would not have had the same interest (despite Ingenico's online acquisitions)
- The B&A BU, which is similar to the historical terminals business, is in no way a driving force of the offer; for that matter, a strategic review was announced:
  - Not so much to assess the relevance of the new strategy, which is in no way questioned at this stage, with management indicating that it is a necessary transformation project involving substantial financial resources (€160m mentioned over 5 years by BU management) and many execution risks …
  - … But rather to assess, **from B&A's point of view**, the benefits and risks **inherent** in implementing its strategy within the new group. The subject is being considered with from two angles:
    - Synergies / dis-synergies: potential business synergies (B&A and Financial Services common customer base and B&A global presence) or related to vertical integration (~ €500m of revenue from terminals for the new Retail + MS group) vs. commercial dis-synergies born from MS business competition for B&A customers (which would take into account an impossible coopetition situation)
    - Focus and priorities (managerial, in particular): the ability of the new group to juggle retail integration and the development of the MS business with the development of the B&A strategy
  - ☞ After some reflection, two options are being considered at this stage: divestiture, to enable B&A to develop "without constraints" (even if the retention of a minority share remains considered for strategic reasons) or the development of the business internally

☞ Beyond the immediate (vertical) synergies or those achievable in the medium-term (commercial + supply synergies driven by the cloud platform model), it seems to us that the reflection should also incorporate the B&A-related value-creation potential, which is much more important than that of synergies: if the BU is successfully integrated into the Worldline organization (within FS, for example, or in any other form of reviewed organization), application of a new multiple to the results achieved by this activity

# AT THE SOCIAL LEVEL, THE ISSUES WILL BE RELATED TO OPERATIONAL INTEGRATION AND CONCERN MANY COUNTRIES …(1/2)

**Distribution of Ingenico and Worldline workforce in countries with a joint presence**

- Joint presence in 23 countries
- Strong establishment of the two groups in Europe
- Ingenico: organized around the two major B&A and Retail BUs that include support functions; corporate functions are mainly located in France
- Worldline: organized around three GBLs and shared functions (shared technology functions and support functions)
- ☞ A broader notion of shared functions (e.g. CTO/COO) than that of the Ingenico corporate workforce, which makes comparisons between the two groups more difficult

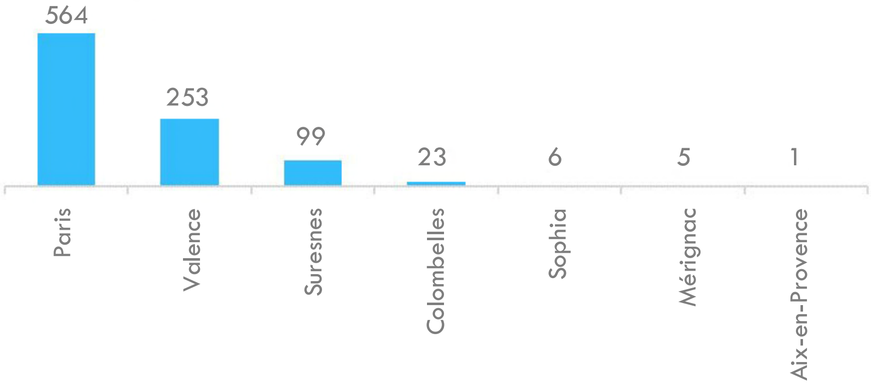


# AT THE SOCIAL LEVEL, THE ISSUES WILL BE RELATED TO OPERATIONAL INTEGRATION AND CONCERN MANY COUNTRIES …(2/2)

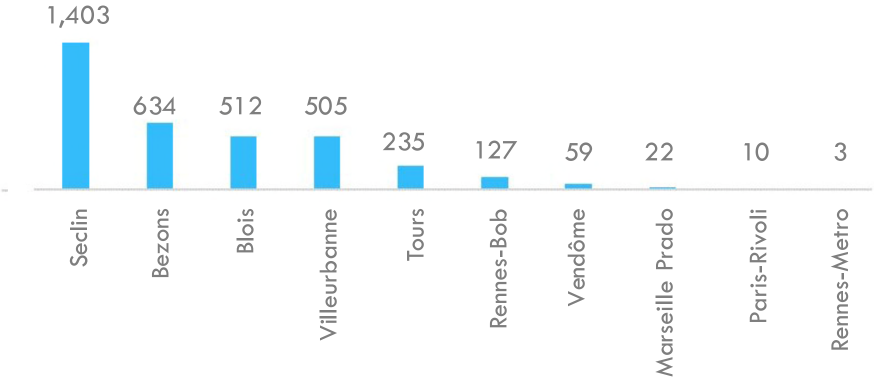
| | Ingenico | | | Worldline | | | | |
|---|---|---|---|---|---|---|---|---|
| | Corporate | B&A | Retail | Shared functions | Financial Services | Merchant Services | M&eTS | Comments |
| France | 223 | 422 | 306 | 1,003 | 899 | 497 | 1,116 | Corporate and support functions exposed (headquarters), issues related to Retail and MS synergies<br>Specific B&A issue: future of BU |
| Austria | | | 12 | 44 | 17 | 167 | 43 | Ingenico Retail and mixed WL countries: business synergies, issues related to business support functions, and to a lesser extent business and support |
| Belgium | | | 324 | 259 | 327 | 636 | 14 | |
| Netherlands | | | 494 | 152 | 440 | 124 | | |
| Sweden | | | 314 | | | 115 | | |
| Germany | | 34 | 1,306 | 219 | 957 | 182 | 110 | Mixed Ingenico and MS/mixed Worldline countries: the aforementioned Retail/MS issues<br>Specific B&A issue<br>(more specific case of Switzerland dependent on competition issues) |
| India | | 64 | 448 | 159 | | 749 | | |
| United Kingdom | | 433 | 75 | 111 | | 134 | 278 | |
| Spain | | 67 | 87 | 45 | 48 | 315 | 84 | |
| Switzerland | | 8 | 48 | 65 | 219 | 390 | | |
| Italy | | 147 | | 119 | 181 | 2 | | Countries without joint MS/Retail workforce Potential support services issues<br>Specific B&A issue |
| Malaysia | | 57 | | 18 | 188 | 2 | | |
| Poland | | 17 | | 8 | | 196 | 4 | |
| Singapore | | 101 | 24 | 8 | 75 | | | |
| China | | 1,375 | 22 | 8 | | | 2 | Countries without business synergies and weak WL presence Few issues related to business integration<br>Specific B&A issue |
| Indonesia | | 91 | | 3 | 6 | | | |
| Taiwan | | 98 | | 3 | 15 | | | |
| United States | | 336 | 41 | | | 4 | | |
| Czech Republic | | 10 | | 2 | 132 | 83 | | Countries without business synergies and weak Ingenico presence<br>Few issues related to business integration |
| Finland | | | 29 | | 153 | | | |
| Argentina | | 10 | 40 | 95 | | 3 | 160 | Miscellaneous: potential support and GBL issues MS |
| Brazil | | 121 | 5 | | | 10 | | |

# … FRANCE BEING PARTICULARLY "EXPOSED" … (1/2)

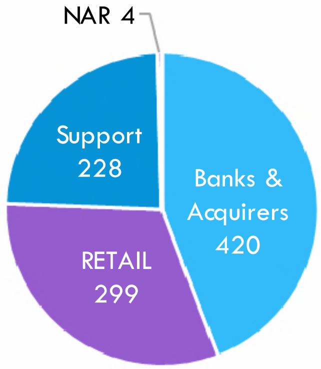
**Ingenico -** distribution of France workforce by site as of 12/31/2019



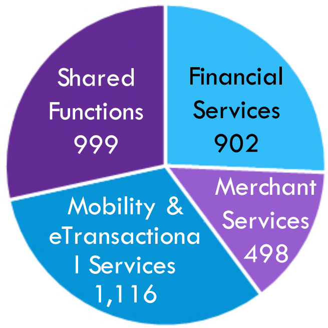

**Worldline -** distribution of France workforce by site as of 12/31/2019




**Ingenico -** Distribution of workforce by BU in France as of 12/31/2019




**Worldline -** Distribution of France workforce by GBL as of 12/31/2019




- As of 12/31/2019, the Ingenico workforce amounts to 951 people, with 60% based in Paris, compared to 3,515 at Worldline, with 40% based in Seclin

# … FRANCE BEING PARTICULARLY "EXPOSED" … (2/2)

## Social risks for Ingenico in France

**Corporate workforce at headquarters**

- Functions most directly impacted due to their centralized and cross-disciplinary nature and to the fact that they are loosely correlated with the business (duplications of management and functions such as Strategy, M&A, corporate legal, Consolidation, investor relations, etc.)
- The issue is also related to a likely move

**Retail BU workforce**

- BU staff exposed as a result of a rapid business integration project: issues commensurate with the **level** of effective integration of businesses, infrastructures and offers and with the choice of organizations selected
- First and foremost, a potential rapid impact for management functions (if the organization is actually "merged") and the central and support workforce of the Retail BU or the MS GBL
- Issues for business support (marketing, etc.) or technology activities related to the choices made in terms of medium-term offer and infrastructure
- For functions more directly related to commercial activity, growth should be able to compensate for the effects of synergies (cx, project management)
- As with other employees: related to a likely move

**B&A BU workforce**

- The B&A BU is subject to differential treatment in the context of this integration
- Possible integration of teams in charge of terminals at Worldline

| Ingenico | Worldline |
|---|---|
| 149 job positions at the Ingenico headquarters in Paris | 73 corporate positions at the WL headquarters in Bezons |
| **Retail: 299 employees** (~Paris) | **MS: 498 employees** Mainly in Seclin and Bezons / + Blois, Tours, Villeurbanne |
| ~30 management positions and technical cross-functional / central positions | ~ 30 management and corporate functions<br>~ 30 technical experts and architects |
| ~30 in mktg and PM | ~34 in Business & Mngmnt Consultancy (prdt / project manager) |
| ~40 in customer service and operations | ~22 in Support / Services Desk |
| ~30 in project management and ~70 in commercial | ~110 in project management and ~ 20 in commercial |
| ~100 in product & solution development | ~230 in developments, integration and testing |
| B&A: 420 people in France | Some positions on terminals within MS (~10 identified but number to be specified) |

# TO LIMIT THE RISKS, WORLDLINE MANAGEMENT HIGHLIGHTS ITS INTEGRATION EXPERTISE … (1/2)

- With an extending growth strategy, Worldline has developed integration experience and policies (example Equens and SPS) and therefore plans to base the integration process on the model applied with SPS and implemented with the help of an external consulting firm (see next page)
- Worldline's management points out that one of the key factors in the success of the operation is the rapid execution and integration of both organizations from an operational point of view and identifies the departure of talent, if the uncertainty about becoming part of the new group is too significant, as a social risk factor

☞ It should also be noted that the integration of Ingenico remains a singular operation in view of the size, organization and extent of the facilities

- 23 common countries compared to 4 in the case of SPS integration
- Moreover, this is the first time that Worldline has integrated two global headquarters

☞ The integration of headquarter functions is a specific social risk factor

- Aware of the particular issues, Worldline management insists on the current anticipation of the operation in order to limit risks with the following actions …
    - Hiring freeze: 65 vacancies on the Worldline side (and 46 on the Ingenico side) and internal job changes
    - The needs arising from the Atos carve out on the following functions: Internal IT, Accounts, Human Resources, Legal, Corporate Social Responsibility, Finance, Quality, Security, Risks and Compliance, and Commerce
    - Ingenico's plan to optimize support functions (according to a schedule to which we believe it's worth adding the possibility that the OPA will allow reclassifications in relation to the previous point)
- … and specifies that the needs generated by the growth of the new group (7–8% expected and 3-4% in the workforce) should allow synergies in the positions linked to the rapprochement (internal transfers) "to be absorbed"

☞ This last argument must be nuanced, as it does not take into account the issues relating to the profile differences among redundant positions and the needs resulting from the growth in business …

# TO LIMIT THE RISKS, WORLDLINE MANAGEMENT HIGHLIGHTS ITS INTEGRATION EXPERTISE … (2/2)

| | |
|---|---|
| Pre-closing | • **Transaction committee**: the business approach of the operation, which remains the main priority |
| Pre-closing | • **Integration committee**: reflection on the operational approach, support functions, HRIS, training, and determining the operation of the new group |
| Pre-closing | • **Joint Integration committee**: to build the target organizational charts of the future group with very frequent meetings during the pre-closing period |
| Pre-closing | • **Nomination process**: discussion among the joint management teams on the composition of future teams; bottom up nomination, which must respect 4 KPIs:<br>• Balanced percentage of employees from each company, percentage of women, percentage of talent, percentage of nationality |
| Post closing | •On the first post-closing day: submit an organizational chart where each employee in the new group appears<br>•HR monitoring of similarities; HR of the ceding company is responsible until the employee accesses their new position |

- The composition of future teams is therefore based on the assessment of the qualifications of employees by their operational managers
- In addition, bottom-up construction of organizations, as described by WL, involves a temporary "cohabitation" in the manager position, which may be complicated to manage

# … AND REPORTS ON THE ABSENCE OF IMPACT AT THE TIME OF THE OPERATION, PROPOSING TO PUT POTENTIAL MEDIUM-TERM OPTIONS INTO PERSPECTIVE

- If Ingenico is acquired by Worldline, the consequences to be considered in terms of collective status will be different depending on the legal integration schemes selected. Several hypotheses can be made:
  - **Hypothesis #1**: "simple" acquisition without integration project between the two companies;
  - **Hypothesis #2**: total or partial merger of the companies Ingenico and Worldline;
  - **Hypothesis #3**: transfer of certain entities of the new group;
  - **Hypothesis #4**: modification of the scope of the current Ingenico and Worldline economic and social units (ESU);
  - **Hypothesis #5**: transfer of services or employees (involving a change in employer).

- The hypothesis of a simple acquisition without an integration project would have no effects on labor contracts or on the status and representation of employees of the Ingenico Group.
  - But if this hypothesis can be considered in the short term, it is likely that more advanced integration methods will be implemented in the medium or long term.
  - As a matter of fact, if only with regard to the need to ensure equal treatment among employees working together, the survival of several statuses in the long term seems complicated for us to consider.
  - For example, in the recent history of the Worldline group's acquisitions involving a significant number of employees in France, the French branch of equensWorldline has been integrated into the pre-existing ESU within Worldline.

- For hypotheses that could, in our opinion, come true in the medium term, the effects to be expected on labor contracts and on the collective status and representation of employees are presented on the following page.

# … AND REPORTS ON THE ABSENCE OF IMPACT AT THE TIME OF THE OPERATION, PROPOSING TO PUT POTENTIAL MEDIUM-TERM OPTIONS INTO PERSPECTIVE

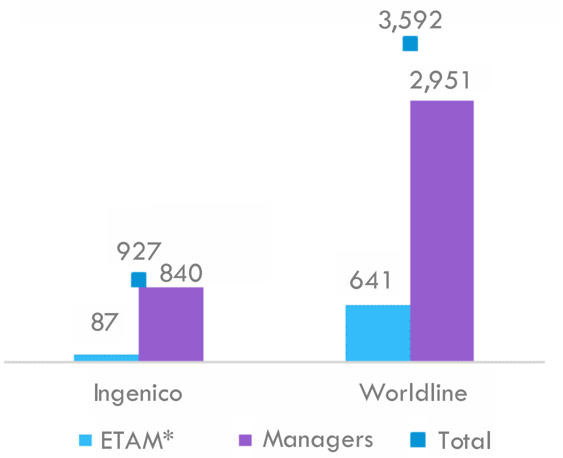
| | | Employment contract | Collective status | Employee representation |
|---|---|---|---|---|
| | **Merger** *(for employees of the acquiring company)* | No consequences | No consequences, except in the event of negotiations for the harmonization of statuses | No consequences |
| | **Transfer of a legal entity** | No consequences (but could lead to reorganization) | *If the transferred legal entity belongs to the Ingenico ESU:* The agreements may be challenged; a transitional (or preparatory) agreement may be negotiated | *If the transferred legal entity belongs to the Ingenico ESU:* Current tenures of office are terminated |
| Change in employer | **Transfer within the context of French Law No.1224-1** *(for the acquired company in the event of a merger or for the transferred autonomous economic entity)* | Transfer of the employment contract under French Law No.1224-1 | Temporary and conditional continuation of collective elements; negotiation of alternative agreements | Current tenures of office are terminated; representation organized in the host entity |
| Change in employer | **Individual mobility** | New employment contract or transfer of the employment contract | Collective status of the host entity | Organized by the receiving entity |
| Edit ESU Scope | **Entities from ESU A are integrated into ESU B** | No consequences | Amendment defining the new scope of ESU B; temporary and conditional maintenance of collective elements; negotiation of alternative agreements | Current tenures of office are terminated; representation organized by ESU B |
| Edit ESU Scope | **Remaining ESU A entities** | No consequences | No consequence; continuation of agreements negotiated within ESU A | Partial elections if a grouping is no longer represented or if the number of incumbent representatives is reduced by half or more |

# THE INTEGRATION WILL CONCERN FRENCH EMPLOYEES OF INGENICO AND WORLDLINE WITH DIFFERENT CHARACTERISTICS …

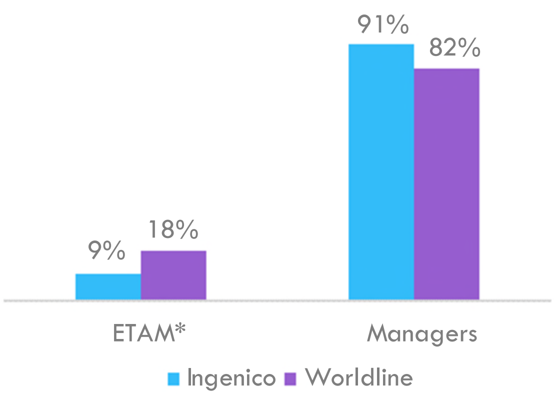
*The data presented here is from the 2018 corporate balance sheets of Ingenico ESU and Worldline ESU.*

- At the end of 2018 Worldline had 3,592 employees in France,
  - Compared to 927 at Ingenico.
- Managers account for just over 8 out of 10 employees at Worldline,
  - Compared to just over 9 out of 10 at Ingenico.
  - Within the management workforce, Ingenico employees are globally positioned on higher coefficient levels
- The workforce of both ESUs is very largely male, with 24 women at Worldline,
  - Compared to 27% at Ingenico.
- Finally, at Worldline, more than one in two (56%) employees are under 40 years of age,
  - Compared to only one third at Ingenico (34%).

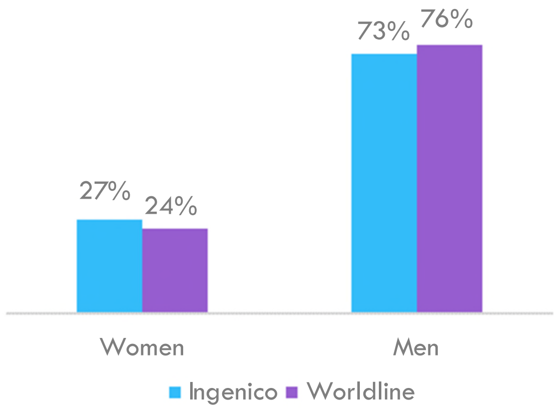
Total workforce as at 12/31/2018




Workforce distribution by occupational category (total workforce as at 12/31/2018)




Gender distribution (total workforce as at 12/31/2018)

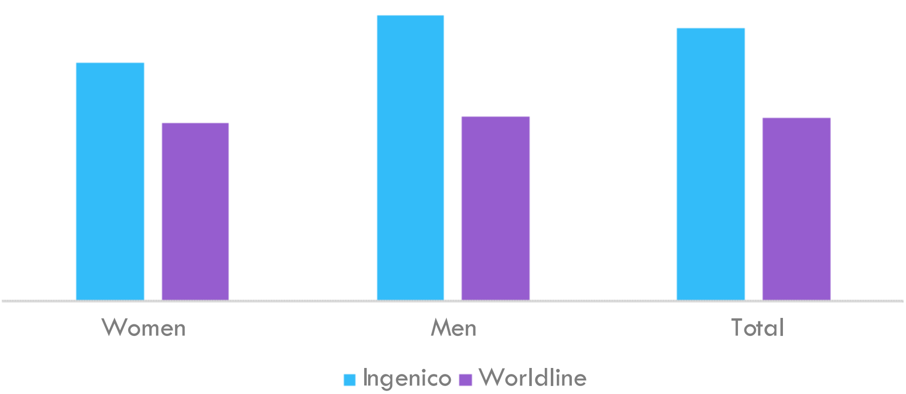



*Employés, Techniciens et Agents de maîtrise (employees, technicians and experts)

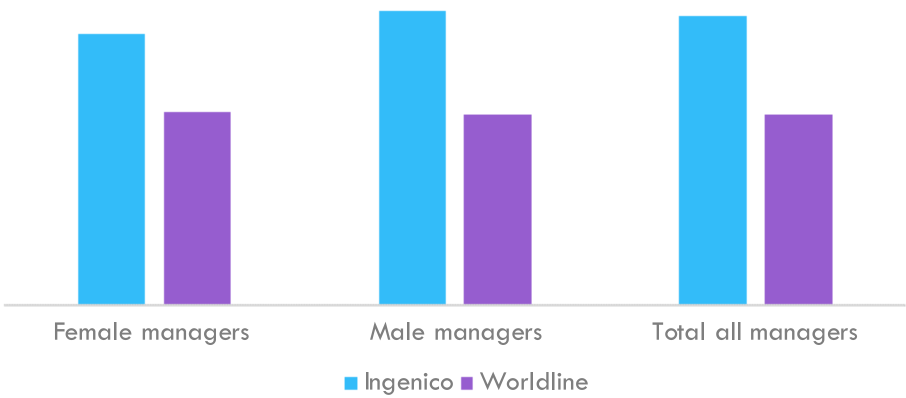
# … AT PAY LEVELS THAT ARE SUBSTANTIALLY HIGHER FOR INGENICO EMPLOYEES…

- On the basis of the data presented in the social balance sheet, the basic average annual remuneration received by Ingenico employees appears to be higher than at Worldline:
  - Excluding variables and premiums, Ingenico salaries in 2018 were 49% higher for the entire workforce, and 51% higher for managers.
- Further analysis of the remuneration within the two ESUs would be required to gain a clearer idea of the origin of the differences (particularly in relation to structural effects or average age).

Total workforce: average basic annual salaries (excluding variables and bonuses) in 2018 – in €




Managers: average basic annual salaries (excluding variables and bonuses) in 2018 – in €



# … AND WITH STATUSES PRESENTING THEIR OWN SPECIFIC FEATURES, RAISING ISSUES FOR INGENICO EMPLOYEES IN TERMS OF INCENTIVES AND PROFIT SHARING

| More favorable at Ingenico | |
|---|---|
| Working hours | • More favorable seniority leave starting from 25 years of seniority |
| Standby duty | • More detailed provisions, particularly with regard to periods of obligatory standby duty |
| Time savings accounts (CET) | • More beneficiaries and more open terms of use (including monetarization) |
| GPEC | • No GPEC (Strategic workforce planning) agreement at Worldline |
| Incentives and profit sharing | • High amounts distributed |
| Syntec vacation Premiums | • Guaranteed minimum amount |
| Donations of rest days, transport measures, leave for sick children | • No equivalent at Worldline |

| More favorable at Worldline | |
|---|---|
| Working hours | • A more favorable daily flat-rate<br>• More favorable seniority leave starting from the first level of seniority |
| Remote working | • Longer weekly periods of remote working |
| Standby duty periods | • Longer period of advance notice<br>• More flexible compensation arrangements (payment/recovery) |
| Night work | • More extensive range of night shifts |
| Time savings accounts (CET) | • Significantly higher ceiling |
| Gender equality | • Better score obtained in the index<br>• Agreement covers a wider scope of fields: raising awareness and communication campaigns |

*NB: For a comprehensive view of the terms and conditions for the remuneration of employment within the two companies, a precise comparison of compensation systems and policies will need to be carried out **(covering pay, obligatory annual salary negotiations, corporate benefits, etc.).***

# IT CAN BE CONCLUDED THAT EMPLOYMENT CONDITIONS ARE A KEY FACTOR FOR ALL IN THE SUCCESS OF THE OPERATION AND THAT THE MANAGEMENT HAS THE LEVERS IN HAND TO ENSURE A POSITIVE DYNAMIC IN LABOR RELATIONS

- The two designated leaders of the group in the event of a successful merger (the CE Oand the Chairman of the Board of Directors), cite as the primary Key Success Factor (KSF) for the merger the need to define very quickly a target structure in which everyone knows their place (especially so as to limit unwanted staff turn-over in terms of key expertise)

  ☞ The second KSF is in both cases closely linked to structuring the business ("systematic customer visit plan"/"prioritizing business and continuous growth")

☞ This point is clearly of vital importance for the success of an offer that:

- responds to a sound strategic and economic rationale
- was very favorably received by the markets at the time of the announcement
- was welcomed in principle by the employee representatives of the target company (Ingenico) during the official hearing for the acquiring company

- However, not only does the current “waiting period” (involving the submission and outcome of the offer, plus a period awaiting the final opinion of the competition authorities) prevent active preparation for the integration, but there is even a “regulatory” moratorium on such preparation. This is by its very nature likely to generate deep concerns, exposing Worldline to the risk of high staff turnover and other dangers linked to a deterioration of labor relations at Ingenico

☞ Worldline and Ingenico’s managements nevertheless have access to significant levers that can preserve a positive dynamic in their labor relations so as to limit the above risks

In fact, the prior formalization of various demands by Ingenico’s elected employee representatives (with a commitment to dialog on employment guarantees before closing the agreement, taking into account the imperatives posed by the Tender Offer concerning the timing of planned support mechanisms, etc.), should be perceived:

- not as a constraining factor for the new situation
- but as an opportunity to structure the waiting period and to "flesh out" declarations of principle or reassuring words about Worldline’s expertise in the field of corporate mergers

## Annex 3

**Report of the Independent Expert**

# INGENICO

28/32 boulevard de Grenelle
75015 Paris, France

## COMBINED PUBLIC EXCHANGE OFFER AND PURCHASE OFFER INITIATED BY WORLDLINE on INGENICO shares and OCEANE bonds

# FAIRNESS OPINION



**Ledouble SAS – 8, rue Halévy – 75009 Paris, France**
**Tel. +33 (0)1 43 12 84 85 – E-mail info@ledouble.fr**
A French limited company (société anonyme) providing accountancy and auditing services
Registered with the French Association of Chartered Accountants (Tableau de l'Ordre des experts comptables) and the Paris Association of Statutory Auditors (Compagnie des commissaires aux comptes de Paris)
A limited liability joint-stock company with a share capital of €438,360
Paris Trade and Companies Register No B 392 702 023 – Intracommunity VAT FR 50 392 702 023

CONTENTS

# GLOSSARY, ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| Merger Agreement | Merger agreement signed between Worldline and Ingenico detailing the terms of the merger |
| Agreements and Related Transactions | Agreements governing the transaction |
| Free Shares | Free shares in the free share allocation plans set up by Ingenico |
| Ingenico Shares | Ordinary shares in Ingenico |
| Ordinary Shares | Ingenico Shares and Worldline Shares |
| Worldline Shares | Ordinary shares in Worldline |
| B&A Business / B&A | Banks and Acquirers business unit managing payment services for small and medium-sized merchants |
| Retail Business / Retail | Retail business supporting consumers in an omnichannel purchasing channel combining the provision of terminals and integrated services for in-store and online payment |
| Adjusted Net Asset Value | Net assets adjusted for the fair value of Ingenico Group assets |
| AMF | French Financial Markets Authority |
| ANAV | Accounting Net Asset Value |
| RNAV | Restated Net Asset Value |
| WCR | Working capital requirement |
| R | Revenue |
| Target | Ingenico |
| Click and Collect | Online purchase followed by click and collect in-store |
| VWAP | Volume-weighted average price |
| CoC | Cost of capital |
| CNO | Comité de Normalisation Obligataire (French Bond Standardization Committee). |
| Ad-hoc Committee | Ad-hoc Committee responsible for monitoring the Brief |
| Board of Directors | Ingenico's Board of Directors |
| Consultancy | Ingenico and Worldline financial and legal consultancy |
| Financial Advisors to Ingenico | Goldman Sachs Paris Inc. et Cie, Rothschild & Cie |
| Legal Advisor to Ingenico | Bredin Prat SAS |
| Financial Advisors to the Initiator | Morgan Stanley Europe SE, Cardinal Partners SAS |
| Legal Advisors to the Initiator | Cleary Gottlieb Steen & Hamilton LLP, Latham & Watkins A.A.R.P.I. |
| Ingenico Consensus | Forecasts by financial analysts responsible for monitoring Ingenico |
| Worldline Consensus | Forecasts by financial analysts responsible for monitoring Worldline |
| DAP | Depreciation, amortization and provisions |

| | |
|---|---|
| DCF | Discounted cash-flow |
| RD | Registration Document |
| URD | Universal Registration Document |
| Ingenico Management | Ingenico's Management |
| Worldline Management | Worldline's Management |
| EBIT | Earnings Before Interest and Taxes |
| EBITDA | Earnings Before Interests, Taxes, Depreciation and Amortization |
| GOS | Gross Operating Surplus |
| EMEA | Europe, the Middle East and Africa |
| BPI Contribution Commitment | Letter of commitment from Bpifrance Participations signed on February 2, 2020 |
| e-payment | Financial transactions carried out over the Internet |
| Sponsoring Institutions | BNP Paribas, Morgan Stanley Europe SE, Natixis and Société Générale |
| Independent Expert | Ledouble SAS |
| Fit for Growth | Global transformation plan to capitalize and optimize the Ingenico asset portfolio |
| IMF | International Monetary Fund |
| Ingenico Group | Ingenico and its subsidiaries |
| Worldline Group | Worldline and its subsidiaries |
| I | Ingenico |
| DTA | Deferred tax asset(s) |
| DTL | Deferred tax liability(ies) |
| Initiator | Worldline |
| IFRS | International Financial Reporting Standards |
| Ledouble | Ledouble SAS |
| LTM | Last twelve months |
| AC | Associate companies |
| Brief | Independent Expertise of Ledouble within the context of a merger through a public offer between Worldline and Ingenico |
| Mix and Match | Offers with a combined main option (cash and securities) and two alternative options, one in cash only, and another in securities only |
| Payone JV MoU | Memorandum of Understanding signed between DCV, S-Payment, Ingenico and Worldline on February 2, 2020 |
| m-payment | Financial transactions carried out by mobile phone |
| n.a. | Not applicable |
| n.c. | Not communicated |
| NTM | Next twelve months |

| | |
|---|---|
| OAT | Fungible Treasury Bonds (Obligations Assimilables du Trésor) |
| Bond | Compulsory component of a theoretical value of an OCEANE Bond |
| OCEANE Bonds | Optional Conversion and/or Swap Bonds in new or existing shares |
| Ingenico OCEANE Bonds | Bonds convertible into and/or exchangeable for new or existing shares in Ingenico |
| Offer | Public offer initiated by Worldline on Ingenico Shares and OCEANE Bonds |
| OCEANE Bond Cash Offer | Cash option at a price of €179 per OCEANE Bond |
| OCEANE Bonds Combined Offer | Option based on an exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds, respectively, i.e., an offer price of €179 for each OCEANE Bond |
| Main Offer | A Worldline securities option and cash option based on an exchange parity of 11 Worldline Shares plus an amount of €160.50 for seven Ingenico Shares |
| Subsidiary Public Purchase Offer | A cash option at a price of €123.10 per Ingenico Share |
| Subsidiary Public Exchange Offer | A Worldline securities subsidiary exchange offer based on an exchange parity of 56 Worldline Shares for 29 Ingenico Shares |
| OMDA | Operating Margin before Depreciation and Amortization |
| Transaction | Public offer initiated by Worldline on Ingenico Shares and OCEANE Bonds |
| Options | Optional component of the theoretical value of an OCEANE Bond |
| Exchange Parity | Exchange parity of 56 Worldline Shares for 29 Ingenico Shares |
| OCEANE Bond Exchange Parity | Exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds, respectively, i.e., an offer price of €179 per OCEANE Bond as of January 31, 2020 |
| Ingenico Consensus Business Plan | Business plan prepared from the notes of the financial analysts responsible for monitoring Ingenico |
| Extrapolation Period | The period between 2023 and 2029 for Ingenico Management's business plan<br>The period between 2025 and 2030 for the business plan modeled on the basis of the Ingenico Consensus prior to the announcement of the Operation<br>The period between 2024 and 2030 for the business plan modeled on the basis of the Worldline Consensus prior to the announcement of the Operation<br>The period between 2023 and 2030 for the business plan modeled on the basis of the Ingenico Consensus and Worldline Consensus in the wake of COVID-19 |
| Explicit Period | The period between 2020 and 2022 for Ingenico Management's business plan |

| | |
|---|---|
| | The period between 2020 and 2024 for the business plan modeled on the basis of the Ingenico Consensus prior to the announcement of the Operation<br>The period between 2024 and 2030 for the business plan modeled on the basis of the Worldline Consensus prior to the announcement of the Operation<br>The period between 2020 and 2022 for the business plan modeled on the basis of the Ingenico Consensus in the wake of COVID-19 |
| Worldline Consensus Business Plan | Business plan prepared from the notes of the financial analysts responsible for monitoring Worldline |
| Ingenico Management's Business Plan | Ingenico Group medium-term business plan covering the period 2020-2022 drafted by Ingenico's Management |
| PPA | Purchase Price Allocation |
| Offer Price | Main Offer Price and Subsidiary Purchase Offer Price |
| Subsidiary Purchase Offer Price | Price of €123.10 per Ingenico Share |
| OCEANE Bond Offer Price | Price of €179 per OCEANE Bond |
| Main Offer Price | 11 Worldline Shares plus an amount of €160.50 for seven Ingenico Shares |
| PSPs | Payment Service Providers |
| Report | Independent Expert Report prepared by Ledouble |
| RCS | Trade and Companies Register (Registre de Commerce et des Sociétés – RCS) |
| Contactless | Financial transactions carried out by tapping a bank card or mobile phone on a payment terminal |
| Ingenico | Ingenico |
| Worldline | Worldline |
| SWOT | Analysis of strengths, weaknesses, opportunities and threats |
| AAGR | Average annual growth rate |
| CMR | Constant maturity rate |
| Ingenico shares reference value | €105.20 = €105.2 |
| Worldline shares reference value | €63.75 = €63.8 |
| EV | Enterprise value |
| W | Worldline |
| WACC | Weighted average cost of capital |

# 1. Introduction

Ledouble SAS ("**Ledouble**") was appointed by the Board of Directors ("**Board of Directors**") of Ingenico ("**Ingenico**" or the "**Target**") as an Independent Expert ("**Independent Expert**") on February 2, 2020[1] in connection with the merger and acquisition by public offer ("**Offer**" or "**Transaction**") which will be initiated by Worldline ("**Worldline**" or the "**Initiator**") on:

- shares in Ingenico ("**Ingenico Shares**" or individually, as an "**Ingenico Share**"[2]);
- Bonds convertible into and/or exchangeable for new or existing shares in Ingenico ("**Ingenico OCEANE Bonds**" or "**OCEANE Bonds**" and individually, as an "**Ingenico OCEANE Bond**" or "**OCEANE Bond**").

This independent expert brief (the "**Brief**") is to reach a decision on the fairness of the terms of the Transaction for the shareholders and the holders of OCEANE Bonds as part of:

- **the public offer initiated by Worldline on Ingenico Shares** which includes:
  - a main offer (the "**Main Offer**") consisting of a Worldline securities option and a cash option;
  - two subsidiary offers ("Subsidiary Offers"):
    - a subsidiary exchange offer (the "Subsidiary Public Exchange Offer" or "Subsidiary SPO") in Worldline securities;
    - a subsidiary purchase offer (the "Subsidiary Public Purchase Offer" or the "Subsidiary PPO").
- **the public offer initiated by Worldline on OCEANE Bonds**[3] which includes:
  - a cash option (the "**OCEANE Bond Cash Offer**");
  - a combined offer consisting of a Worldline securities option and a cash option (the "**OCEANE Bond Combined Offer**").

Following the vote by the Ingenico Annual General Shareholders' Meeting of June 11, 2020 on the proposal to cancel the distribution of dividends for the 2019 financial year, the initial offer terms with dividend rights were used in full[4].

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[1] On the recommendation of the *ad-hoc* Committee comprising five members: the Chairman of the Board and four independent directors; one of the independent directors lost that status on March 14, 2020.

[2] Similarly, shares in Worldline will be referred to collectively below as "**Worldline Shares**" or individually, as a "**Worldline Share**".

[3] The terms of the Offer on OCEANE Bonds remained unchanged, regardless of the planned dividend distribution.

[4] As a reminder, the terms of the Offer on the Ingenico Shares, as revised on February 25, 2020 after taking into account the distribution of dividends, were as follows:

- a main offer under the terms of which Ingenico shareholders would receive 11 Worldline Shares and €152.1 in cash for seven Ingenico Shares under a mix-and-match mechanism;
- a subsidiary public exchange offer in Worldline securities based on an exchange parity of 109 Worldline Shares for 57 Ingenico Shares, the equivalent of an offer price of €121.90 based on the last trading period;
- a subsidiary purchase offer at a price of €121.90 for each Ingenico Share.

## 1.1. The regulatory framework governing Ledouble's involvement

This independent expert report (the "**Report**") has been prepared in accordance with Article 262-1 of the AMF General Regulations, the AMF Application Instructions No.2006-07 and 2006-08 relating to public acquisition offers and independent expertise, as well as AMF Recommendation No. 2006-15 "Independent Expertise within the context of financial transactions".

Following our appointment as Independent Expert by the Board of Directors on the proposal of its ad-hoc committee (the "**Ad-hoc Committee**"), Ingenico sent us a letter setting out the regulatory basis of our appointment, as well as any potential conflicts of interest identified; this letter can be found in **Annex 1** of the Report.

Our appointment falls within the scope of Articles 261-1 I (4)[5] and (5), and 261-1 II and III[6] of the AMF General Regulations and AMF Application Instruction No.2006-08[7], which itself is supplemented by AMF Recommendation No.2006-15[8].

## 1.2. The independence and competence of Ledouble

Ledouble is independent from the Target, the Initiator and its shareholders, as well as their respective financial and legal advisors[9] (the "**Advisors**") and institutions sponsoring[10] the Offer (the "**Sponsoring Institutions**")[11].

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[5] On the recommendation of the *ad-hoc* Committee comprising five members: the Chairman of the Board and four independent directors; one of the independent directors lost that status on March 4, 2020.

[6] The extract in question taken from Article 261-1 of the AMF General Regulations:
*"I. -The company subject to a public acquisition offer shall appoint an independent expert when the transaction is likely to result in conflicts of interest with its board of directors, supervisory board or competent body of the kind that might adversely affect the objectivity of the reasoned opinion referred to in Article 231-19, or challenge the equality of the shareholders or holders of the financial instruments that are the subject of the offer.*
*This is particularly true in the following cases: […]*
*4) Where there are one or more transactions related to the offer that may have a significant impact on the price or exchange ratio of the public offer in question;*
*5) Where the offer relates to different categories of financial instruments and is denominated on price terms that may affect the equality between shareholders or holders of the financial instruments that are the subject of the offer; [...]*
*II. - The company referred to shall also appoint an independent expert prior to the implementation of a mandatory buyout subject to the provisions of Article 237-3. […]*
*III. - Under the terms set out by an AMF Instruction, the independent expert shall be appointed by the competent corporate body of the company referred to on the recommendation of an ad-hoc committee consisting of at least three members and with a majority of independent members. This committee shall monitor the work of the expert and prepare a draft of a reasoned opinion. »*

[7] "Independent Expertise".

[8] "Independent Expertise in the context of financial transactions".

[9] On behalf of Ingenico: Goldman Sachs Paris Inc. et Cie and Rothschild & Cie (Financial Advisors); Bredin Prat SAS (Legal Advisor).
On behalf of Worldline: Morgan Stanley Europe SE and Cardinal Partners SAS (Financial Advisors); Cleary Gottlieb Steen & Hamilton LLP and Latham & Watkins A.A.R.P.I.(Legal Advisors).

[10] BNP Paribas, Morgan Stanley Europe SE, Natixis and Société Générale.

[11] The list of people with whom meetings were held and/or who were contacted during the Brief is detailed in **Annex 4**.

We confirm our independence within the meaning of Articles 261-1 et seq. of the AMF General Regulations and, in accordance with the provisions of Article 261-4 of the AMF general regulations, we testify to the absence of any past, present or future known relationship with the legal entities and natural persons involved in the Transaction which might affect our independence and the objectivity of our judgement in the carrying out the Brief.

In particular:

- we are not repeatedly involved with the Sponsoring Institutions[12];
- we do not find ourselves in any of the circumstances resulting in the conflicts of interest referred to in Article 1 of AMF Instruction 2006-08.

We declare to all intents and purposes that over the last eighteen months we have been appointed as Contribution Auditors as part of legal restructuring transactions taking place within Ingenico Group[13]. Our work relating to this internal restructuring is not such that would challenge our independence, and does not represent a situation which will result in a conflict of interest within the meaning of Articles 261-4 of the AMF General Regulations or Article 1 of AMF instruction 2006-08 insofar as:

- these contribution audits, pursuant to our appointment by decision of the sole shareholders of the beneficiary companies, have resulted only in the expression of an opinion on the value of contributions based on an appraisal carried out by the companies concerned and their advisors;
- Ingenico Group has not been appraised for the purposes of this contribution audit.

We are therefore able to complete the Brief completely independently.

We also possess the material and human resources needed to carry out the Brief.

The skills of the team that carried out the Brief are detailed in **Annex 6**.

## 1.3. Due diligence

We performed our due diligence duties in accordance with the provisions of Articles 262-1 et seq. of the AMF General Regulations, AMF Application Instructions 2006-07 and 2006-08, and AMF Recommendation 2006-15 (§ 1.1).

The program of work implemented and the amount of the fees received as part of the Brief are disclosed in **Annex 2** and in the Participation Schedule in **Annex 3**.

The documentary basis used to support our work is shown in **Annex 5**.

For the most part, our due diligence procedures consisted of acquiring knowledge concerning the context and legal framework of the Offer, Ingenico and Worldline's

[12] The public independent financial expertise we have applied has been recorded since 2014, with the names of the Sponsors listed in **Annex 7**.
[13] The fees associated with this involvement represented a non-significant amount of less than 5% of the annual turnover of Ledouble.

business and contextual environment, and ultimately, forming an opinion based on this information. It also consisted of carrying out a multi-criteria valuation of the Target and the Initiator with a view to assessing:

- the fairness of the Main Offer Price and Subsidiary Purchase Offer Price as well as the Exchange parity (§ 2.2.2.1);
- the fairness of the Subsidiary Purchase Price with a view to a potential mandatory buyout;
- the fairness of the OCEANE Bond Offer Price and OCEANE Bond Exchange Parity with a view to a potential mandatory buyout (§ 2.2.2.2); and
- the absence of elements in the Agreements related to the Offer[14] that may harm the interests of Ingenico non-controlling shareholders.

These due diligence procedures performed at the same time as the interviews we conducted with the management of Ingenico (“**Ingenico’s Management**”) and Worldline (“**Worldline’s Management**”) and their Advisors and Sponsoring Institutions, focused particularly on:

- the most recent information available on the market for payment services which characterize the businesses of Ingenico Group and Worldline Group;
- the legal documentation[15] relating to the Transaction and its funding mechanism, as well as the Agreements and Transactions relating to the Offer (“**Agreements and Related Transactions**”);
- analyzing the way in which the Offer will be conducted, based on the draft of the information notes prepared in the first instance by the Initiator and then in response by the Target, with a view to submitting the draft Offer to the AMF;
- regulated, public information available on the websites of Ingenico[16] and Worldline[17];
- reviewing the deliberations of the Board of Directors and the decisions taken at the Annual General Shareholders’ Meeting by Ingenico shareholders prior to the Offer;
- the accounting and financial information of Ingenico and its subsidiaries (“**Ingenico Group**”) for the last financial year ended December 31, 2019;
- the accounting and financial information of Worldline and its subsidiaries (“**Worldline Group**”) for the last financial year ended December 31, 2019;
- reviewing in detail and with all parties the information contained in Ingenico Group’s medium-term business plan covering the period 2020-2022 prepared

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[14] Includes the commitment to contribute by Bpifrance Participations (§ 8.2.2).

[15] In particular, the Merger Agreement signed between Worldline and Ingenico on February 2, 2020 and the Memorandum of Understanding signed between DSV, S-Payment, Ingenico and Worldline on February 2, 2020.

[16] https://www.ingenico.com.

[17] https://worldline.com/.

by Ingenico's Management[18] ("**Ingenico Management's Business Plan**") and updating Ingenico Group's objectives for the 2020 financial year in the aftermath of the health crisis linked to the COVID-19 pandemic;

- preparing and extrapolating a business plan using the information contained in the ratings of the analysts responsible for monitoring Ingenico (the "**Ingenico Consensus Business Plan**") and Worldline (the "**Worldline Consensus Business Plan**") both before and after the health crisis;
- integrating into our valuation models the information taken from the Ingenico Management Business Plan, the Ingenico Consensus Business Plan and the Worldline Consensus Business Plan prior to announcing the Transaction, but after publishing the two Groups' quarterly results incorporating the effects of the health crisis;
- harnessing our financial databases[19] as regards both Ingenico and Worldline as well as other market players;
- reviewing the historical volume-weighted stock market prices of Ingenico Shares and Worldline Shares (referred to jointly as "**Ordinary Shares**") as well as the events and press releases issued by Ingenico and Worldline to interpret their development;
- examining recent analysts' ratings for entities comparable to Ingenico Group and Worldline Group in terms of their business and financial model;
- performing a multi-criteria valuation of Ingenico Shares and Worldline Shares;
- assessing the Main Offer Price, Exchange Parity and the Subsidiary Purchase Offer Price in view of the multi-criteria valuation of Ordinary Shares and analyzing the sensitivity of the results to changes in the main valuation parameters;
- assessing the OCEANE Bond Offer Price and the OCEANE Bond Exchange Parity in terms of the multi-criteria valuation of OCEANE Bonds, as well as analyzing the sensitivity of the results of this valuation at various parameters;
- analyzing the synergies generated by merging the two Groups;
- reviewing the work of the Sponsoring Institutions and comparing it with our multi-criteria valuation of the Ordinary Shares and OCEANE Bonds;
- presenting our work performed during the Brief and the contents of the Report to Ingenico's Ad-hoc Committee tasked with monitoring the Brief.

## 1.4. The assertions obtained and the limitations of the Brief

We have obtained confirmation from the Management of Ingenico and Worldline in terms of the material items we have used as part of the Brief.

[18] The 2019-2021 business plan was approved by the Board of Directors on April 18, 2019 and on February 25, 2020 the Board of Directors recorded the 2022 financial objectives.
[19] Bloomberg (financial and comparable stock market parameters), Capital IQ (analysts' ratings) and Mergermarket (comparable transactional services).

In line with the standard practice for independent expertise, our work was not intended to validate the historical and forecast information communicated to us and about which we have been limited to verifying the reasonableness and consistency. In this respect, we considered that all the information communicated to us by our contacts was reliable and passed on in good faith.

The Report does not constitute a recommendation to carry out the Transaction.

The Independent Expert cannot be held responsible for the entire contents of the information note which triggered the Report (which is their only responsibility).

### 1.4.1. Outline of the Report

We present in a successive order:

- the parties to the Transaction, as well as the context and terms of the Offer (§ 2);
- the business and environment of Ingenico Group and Worldline Group (§ 3);
- our valuation work on Ordinary Shares (§ 4) relating to the public offer initiated by Worldline and the summary of this work (§ 5);
- our valuation work on OCEANE Bonds relating to the public offer initiated by Worldline and a summary of this work (§ 6);
- an analysis of the valuation elements of the Sponsoring Institutions (§ 7);
- our appraisal of the Agreements and Related Transactions (§ 8);
- non-controlling shareholders' perceptions of the Offer (§ 9).

The Report's conclusion constitutes a Fairness Opinion for Ingenico's Shareholders whose securities are the subject of the Offer (§ 10).

## 1.5. Presentation conventions

The amounts[20] presented in the Report are expressed in:

- euros (€);
- thousands of euros (€k);
- millions of euros (€m);
- billions/billions of euros/billions of dollars (bn/€bn/$bn);

References to parts and sections of the Report are represented in brackets by the symbol §.

Potential differences recorded in the arithmetic cross-checks are attributable to rounding.

Hyperlinks may be activated in the digital version of the Report.

[20] Given the units used in certain tables, positive or negative amounts that are significantly lower than these units are presented as 0 or (0).

# 2. Presentation of the Transaction

## 2.1. Companies taking part in the Offer

### 2.1.1. Target

Ingenico Group is a société anonyme (public limited company) whose registered office is located at 28-32 Boulevard de Grenelle, Paris (75015), France, registered in the Paris Trade and Companies Register ("**RCS**") under No 317 218 758.

Ingenico Ordinary Shares are listed for trading on Compartment A of Euronext Paris[21].

Ingenico is led by Bernard Bourigeaud, Chairman of the Board, and Nicolas Huss, Chief Executive Officer.

### 2.1.2. Initiator

Worldline is a société anonyme (public limited company) whose registered office is located at 80 Quai Voltaire, River Ouest, Bezons (95870), France, registered with the Pontoise Trade and Companies Register ("RCS") under No 378 901 946.

Worldline Ordinary Shares are listed for trading on Compartment A of the Euronext Paris[22].

Gilles Grapinet is Chairman and Chief Executive Officer.

## 2.2. Context and terms of the Offer

### 2.2.1. Context and objectives of the Offer

Ingenico and Worldline announced the Transaction and terms of the Offer initiated on Ingenico Shares and OCEANE Bonds through a joint press release dated February 3, 2020[23].

This offer initiated by Worldline was as follows:

- the conclusion on February 2, 2020 of a merger agreement (the "**Merger Agreement**") describing the terms of the merger between Ingenico and Worldline;

- the conclusion on February 2, 2020 of a Memorandum of Understanding or "**Payone JV MoU**") relating to the joint venture between Ingenico and DSV combining the Retail business segments of the two Groups located in Germany, Austria, and Switzerland (the "**Payone JV**");

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[21] ISIN Code: FR0000125346; code: ING.
[22] ISIN Code: FR0011981968; code: WLN.
[23] "Creation of a new world-class leader in payment services. Worldline to acquire Ingenico", press release by Ingenico and Worldline dated February 3, 2020.

- a contribution commitment under the terms of which Bpifrance Participations undertook to contribute all of the Ingenico Shares it held to the Offer (the "**BPI Contribution Commitment**").

The aim of the Transaction is to merge Worldline Group and Ingenico Group so as to create a new world-class leader in payment services while generating synergies over the medium term.

### 2.2.2. Terms of the Offer

#### *2.2.2.1. Public offer initiated by Worldline on Ingenico Shares*

The public offer on Ingenico Shares includes:

- the Main Offer comprising a Worldline securities option and a cash option based on an Exchange Parity of 11 Worldline Shares plus an amount of €160.50 for seven Ingenico Shares (the "**Main Offer Price**");
- two subsidiary offers, within the limits of the reduction mechanism described below:
  - the Worldline securities Subsidiary Public Exchange Offer based on an Exchange Parity of 56 Worldline Shares for 29 Ingenico Shares ("**Exchange Parity**");
  - the Subsidiary Public Purchase Offer for a price of €123.10 per Ingenico Share (the "Subsidiary Public Purchase Offer").

The Main Offer Price and the Subsidiary Purchase Offer Price are summarized below under "**Offer Price**".

The Main Offer and the two subsidiary offers include a **17%** premium with reference to the stock market price[24] of Ingenico Shares and Worldline Shares as at the date of announcement of the Operation – respectively **€105.20** for Ingenico Shares (the "**Ingenico Shares Reference Value**") and **€63.75** for Worldline Shares (the "**Worldline Shares Reference Value**").

Ingenico Shareholders may contribute their Ingenico Shares:

- either to the Main Offer;
- or to either or both of the Subsidiary Offers;
- or to the Main Offer and either or both of the Subsidiary Offers.

The Ingenico Shares contributed to the Main Offer will be used in full in accordance with this Offer.

A reduction mechanism ("Mix and Match" mechanism) is planned such that the proportion of Worldline Shares and cash received by Ingenico Shareholders

[24] Stock market price at closure on the date of announcement of the Offer *versus* the *intraday* stock market prices to which we referred.

contributing their shares as part of the Subsidiary Offers is equal to the proportion of Worldline Shares and cash offered in the Main Offer. As such, the following may be obtained:

- a total cash amount payable under the Offer equal to the amount that would have been obtained if all the shareholders of Ingenico that contributed to the Offer had contributed their Ingenico Shares to the Main Offer; and

- a total number of Worldline Shares for the Offer equal to the number that would have been obtained if all the shareholders of Ingenico that contributed to the Offer had contributed their Ingenico Shares to the Main Offer.

#### 2.2.2.2. *Public offer initiated by Worldline on OCEANE Bonds*[25]

The public offer on OCEANE Bonds includes:

- The OCEANE Bond Cash Offer for a price of €179 for each OCEANE Bond ("**OCEANE Bond Offer Price**");

- The OCEANE Bond Combined Offer based on an exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds, i.e., an Offer Price of €179 for each OCEANE Bond ("**OCEANE Bond Exchange Parity**").

### 2.3. Scope of the Offer

In accordance with Article 231-6 of the AMF General Regulations, the Offer covers:

- a maximum number of 68,099,470[26] Ingenico Shares corresponding to an aggregate of:
  - 63,713,047 outstanding Ingenico Shares;
  - 1,013,203 Shares that may be issued before the end of the Offer to definitively acquire free shares ("**Free Shares**");
  - 3,373,220 Shares that may be issued before the end of the Offer for the conversion of OCEANE Bonds;

- all outstanding OCEANE Bonds maturing in 2022, i.e., 2,904,443 OCEANE Bonds.

Treasury shares held by Ingenico will not be contributed to the Offer.

Free Shares still in the acquisition period on the closing date of the Offer do not fall within the scope of the Offer.

No other share capital nor any other financial instruments issued by Ingenico may grant access to capital or voting rights in Ingenico.

[25] At the end of a review of the terms of the Offer made on Ingenico Shares dated February 25, 2020, the terms of the Offer on OCEANE Bonds remained unchanged, regardless of the proposed dividend distribution (§ 1).
[26] At June 30, 2020.

Worldline does not hold any securities in Ingenico either directly or indirectly, nor alone or jointly.

## 2.4. OCEANE Bond holder rights in the event of an offer

### 2.4.1. OCEANE Bond conversion ratio

In the event of a public offer, the documentation relating to the issue of OCEANE Bonds[27] provides for an adjustment clause relating to the share allocation ratio based on the following formula:

$$\text{Pre-transaction conversion ratio} \times \left(1 + \text{share premium} \times \frac{\text{remaining maturity}}{\text{total OCEANE bond maturity}}\right)$$

Or else, an adjusted conversion ratio of 1.161[28] by applying the following formula.[29]

### 2.4.2. Early redemption

The documentation relating to the issue of OCEANE Bonds provides for early redemption at par value:

- if outstanding OCEANE bonds represent less than 15% of bonds issued initially;
- if Ingenico Shares are delisted; and
- if there is a change of control of Ingenico where the Initiator's rating awarded by a rating agency is less than BBB- (or equivalent) at the time of the acquisition or within 90 days of the effective takeover.

## 2.5. The number of Worldline Shares to be issued as part of the Offer

The maximum number of new shares likely to be issued and acquired by Worldline as part of the Offer, not taking into account the treasury shares held by Ingenico that will not be contributed to the Offer (§ 2.3), with a corresponding contribution to the Subsidiary Public Exchange Offer and OCEANE Bond Combined Offer, stands at 104,946,395 Worldline Shares.

## 2.6. Financing of the Offer

Worldline will fund the cash portion of the Transaction via a credit facility of €2.4 billion, refinanced in part by bond issues.

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[27] "Terms and conditions of the senior unsecured bonds convertible into new shares and/or exchangeable for existing shares in Ingenico Group due 2020", June 23, 2015.
[28] 1.009 × (1 + 55% × (702/2,557)) = 1.161.
[29] On the basis of an Offer launch date of July 24, 2020: 1.009 × (1+55% × (702/2557)) = 1.161.

## 2.7. Mandatory buyout procedure for Ingenico Shares and OCEANE Bonds

If, at the time the Offer ends, reopened where applicable, the number of shares not contributed to the Offer by the Ingenico non-controlling shareholders represent no more than 10% of the share capital and voting rights in Ingenico and if (i) the terms for implementing a mandatory withdrawal to have the Ingenico OCEANE Bonds not contributed to the Offer transferred have been met or if (ii) the number of outstanding Ingenico OCEANE Bonds, other than those held by Worldline at the end of the Offer, is less than 15% of the OCEANE Bonds issued[30], Worldline plans to implement a mandatory withdrawal procedure in accordance with Articles L.433-4 II of the French Monetary and Financial Code and Articles 232-4 and 237-1 et seq. of the AMF General Regulation in order to have the Ingenico Shares not contributed to the Offer transferred in exchange for compensation equal to the price of the Subsidiary PPO, net of any applicable fees or adjustments.

If the number of Ingenico Shares not contributed to the Offer, if re-opened, by Ingenico's non-controlling shareholders and the number of Ingenico Shares likely to be issued following the conversion of Ingenico OCEANE Bonds not contributed to the Offer would, at the end of the Offer, represent no more than 10% of the sum of existing Ingenico Shares and the Ingenico Shares likely to be created as a result of the conversion of Ingenico OCEANE Bonds, Worldline also plans to implement a mandatory buyout procedure in accordance with Articles L.433-4 II of the French Monetary and Financial Code and Articles 232-4 and 237-1 et seq. of the AMF General Regulation in order to have the Ingenico OCEANE Bonds not contributed to the offer transferred in exchange for compensation equal to the OCEANE Bond Offer Price, net of any applicable fees or adjustments..

In the event that the conditions for implementing a mandatory buyout were not met at the end of the Offer, the Initiator reserves the right to file a draft public withdrawal offer followed, where necessary, by a mandatory buyout for Ingenico Shares and/or Ingenico OCEANE Bonds which it does not hold directly or indirectly, or jointly on that date. In this context, the Initiator does not rule out increasing its shareholding in Ingenico after the end of the Offer prior to filing a new offer in accordance with the applicable legal and regulatory provisions. In this case, the mandatory buyout shall be subject to supervision by the AMF which shall decide on its compliance particularly in the light of the report prepared by the independent expert who will be appointed in accordance with the provisions of Article 261-1 of the AMF General Regulations.

## 2.8. Agreements and Related Transactions

The Transaction is combined with the Agreements and Related Transactions described and analyzed below (§ 8).

[30] Worldline will retain the opportunity to ask Ingenico to proceed with the early redemption of Ingenico OCEANE Bonds under the terms and conditions of those OCEANE Bonds.

## 2.9. Synergies and financial gains

The Transaction would enable the new combined group to accelerate "*the growth in Merchant Services who would represent 49% of combined revenue, of which 30% of combined revenue from Merchant Services would be achieved in online payments*"[31].

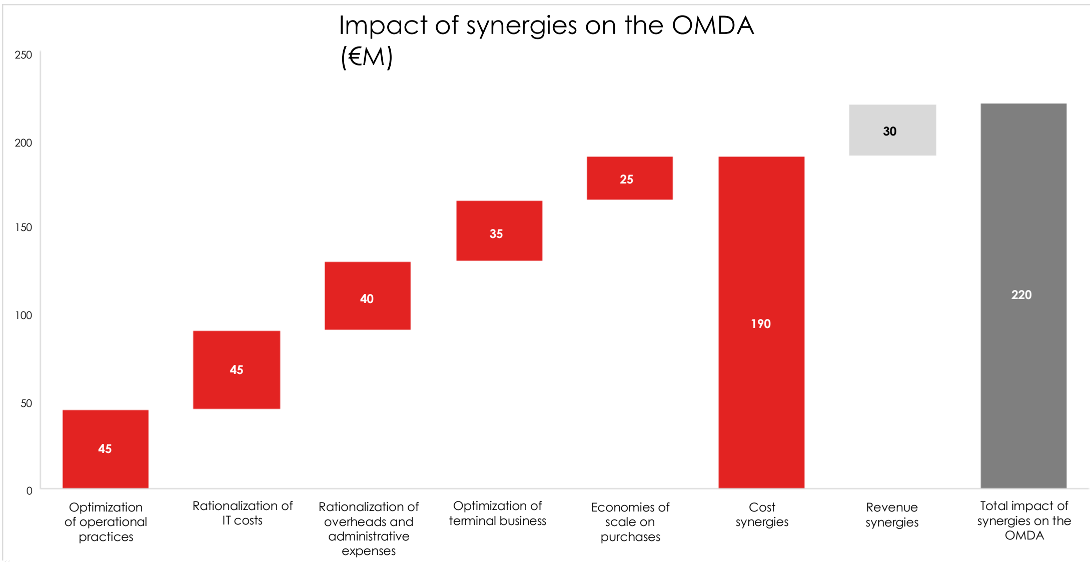
These synergies are estimated at an annual amount of €250 million by 2024:

- annual synergies at the level of Gross Operational Surplus[32] of €220 million, including 30% that would be realized from 2021 and more than 50% in 2022:
  - **€190 million** for cost synergies;
  - **€30 million** for revenue synergies.

  The synergies would mainly concern Ingenico Group's Retail activities and Worldline Group's Merchant Services, and, to a lesser extent, payment terminals[33].

  This amount is based on an estimate by Worldline in the absence of a business plan prepared jointly with Ingenico's Management.

  In addition, some sources of potential and unquantified additional synergies have been identified by Worldline.




- annual savings achieved by optimizing investments and rents amounting to €30 million.

The costs of achieving synergies are estimated at around €250 million over four years.

[31] Source: Ingenico, Press release, February 3, 2020, p. 7.
[32] GOS or OMDA (Operating Margin before Depreciation and Amortization).
[33] Cost synergies in Merchant Services account for 85% of total synergies.

# 3. Presentation of the sector and companies party to the Transaction[34]

We are committed, prior to the multi-criteria valuation of Ingenico Shares and Worldline Shares (§ 4 and § 5), and OCEANE Bonds (§ 6), to presenting an overview using sectoral, market and financial information, in order to identify the main strengths and weaknesses of the two groups, along with the opportunities and threats they face on their market.

## 3.1. Key features of the payment services sector

### 3.1.1. Description of the payment services sector

The payment services market offers an alternative to traditional cash payments. It includes the following payment methods:

- **card payments** (debit card, credit card or prepaid card) either with or without a "contactless" system;
- **non-card payments**, with an increasingly wide diversification of methods *via*:
  - account-to-account payments (SEPA bank transfers and withdrawals[35]);
  - payments via online banking (Online Banking e-payments);
  - e-Wallets[36], using the banking data recorded by the user when creating the wallet to facilitate payments at the time of purchase;
  - use of cryptocurrencies.

#### *3.1.1.1. Main operators on the market*

At present, transactions are carried out in stores, over the Internet ("e-payments") or via mobile phones ("m-payments"). The processing of such transactions involves a number of[37] operators:

- the **merchant** offers goods and services for sale subject to certain requirements such as:
  - the standardization and centralization of payment requirements across the entire geographical area covered;
  - the use of an omni-channel solution, for physical and digital payments; "click and collect" solutions, which offer the facility to purchase online followed by collection in-store, are examples of this process;

[34] Our main sources of information are listed in **Annex 5**.
[35] Single Euro Payments Area (SEPA).
[36] PayPal and Paylib are examples of e-Wallets.
[37] The operators presented are those involved in electronic payments, i.e., those requiring a payment card.

- the customization of payments to the specific features of a market (dynamic currency[38], a conversion service for payments);

- the **acquirer** (banks or payment institutions) provides the merchant with a dedicated account, as well as access to the card payment system, thereby guaranteeing that the payment will be received at the end of the transaction. The acquirer takes on a counterparty risk[39] in return for compensation that it can vary according to its exposure. The online payment market has a high rate of fraud[40];

- **payment service providers** (or "PSPs")[41] allow merchants to process their payments (electronic payment terminals, mobile points of sale, online payment portals, etc.). The actions of PSPs are generally closely intertwined with those of the acquirer;

- **payment gateways**, in the form of software or a platform, which facilitates the flow of information;

- **processors**[42] provide a platform offering a secure connection between merchants and their financial institutions. This activity is carried out by PSPs and they handle sensitive information by providing services such as protection against fraud, data storage, and exchange and risk management solutions;

- **card schemes**, which allow the payment of transactions by card between member banks belonging to the same[43] payment network;

- a **clearing and settlement system**, through which funds are transferred between the bank of the cardholder and the acquirer, after checking and validating payment data.

Other operators are positioned upstream of the circuit:

- the **card issuer**, usually a financial institution, which issues the payment method; and

- **payment terminal issuers,** which are the PSPs that supply terminals[44] or manufacture terminals[45].

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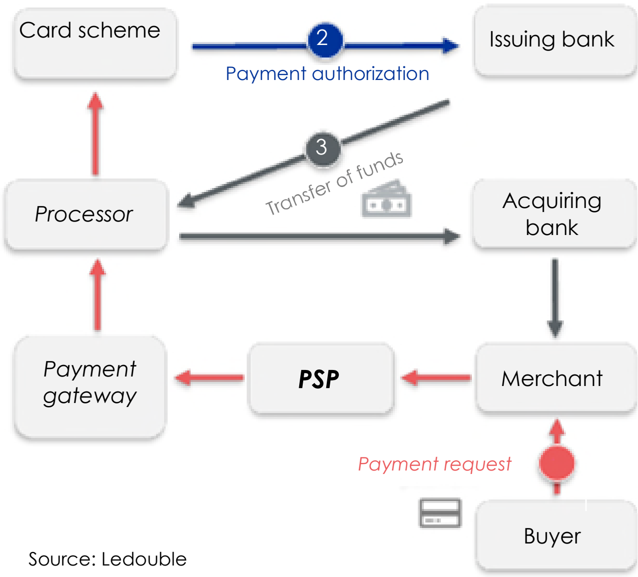
[38] International conversion.
[39] An example of counterparty risk is when the merchant fails to deliver a service in exchange for the payment made by the customer; the acquirer therefore agrees to repay the latter.
[40] According to Banque de France, online payments accounted for 70.5% of the amounts defrauded by bank card in 2018 in France. 2018 annual report of the Observatoire de la sécurité des moyens de paiement [Observatory for the security of payment methods], Banque de France, July 2019.
[41] Examples include Ingenico, Worldline, Wirecard, Worldpay, Nexi.
[42] Such as Ingenico or Worldline.
[43] Visa, MasterCard, Carte Bancaire.
[44] Such as Ingenico, Verifone and Pax Global Technology.
[45] Such as Dell or NCR.

The diagram below provides a simple summary of the operation of an electronic transaction (payment request/payment authorization/transfer of funds):




Source: Ledouble

### 3.1.1.2. Description of the value chain

The payment services sector is primarily segmented into:

- **hardware manufacturers** that sell payment cards (Gemalto, Idemia) or terminals (Dell, NCR);
- **suppliers of payment terminals with associated services** (management of the serviceable life of terminals and software, including installation, upgrades and maintenance). Ingenico, Verifone and Pax Global Technology are the main operators in this market;
- **transit** via **banking networks and payment schemes**:
  - banks of cardholders;
  - payment schemes[46];
- **payment services:** processing services, acquisition services, other value-added services (analysis of customer data with a view to increasing the income of merchants, loyalty card programs, dynamic currency conversion services). Worldpay, Worldline, Ingenico, First Data, Wirecard, Nets, Adyen and even Nexi are major players in the area of payment services.

[46] Visa, MasterCard, UnionPay.

In view of this segmentation and positioning of Ingenico Group and Worldline Group, our analysis of the sector will focus on the features of the following two market segments:

- payment services (§ 3.1.2.1);
- payment terminals (§ 3.1.2.2).

#### *3.1.1.3. Institutional regulations*

On an international level, financial institutions and payment service providers are evolving in line with institutional regulations whose aim is to promote the growth of the payment services sector.

##### *(i) Europe*

The European Central Bank has, in particular, taken the following measures:

- launch of **TARGET Instant Payment Settlement (TIPS)** by the Eurosystem[47] in November 2018, which processes cross-border transactions in real time, around the clock, and at a lower cost. The entry into force of instant payments favors the development of "peer-to-peer" and consumer-to-business ("CtoB") segments;
- **P27 Project**, which allows inter-account settlements in seconds, regardless of the currency;
- the second version of the **European Payment Services Directive (PSD2)** dated January 2018[48], which represents an opportunity for payment service providers. In fact, banks must now allow third-party payment service providers to access the information of their customers, on condition they fulfil certain security criteria. PSD2 facilitates the emergence of new PSPs by speeding up the implementation of account-to-account payment services, as an alternative to payment by bank card.

These regulatory changes, with the compliance they entail, generate significant costs for banking institutions and they are seeking to outsource the processing of payments to PSPs. For example, since 2018, Commerzbank has entrusted the processing of all its payments to Worldline for a period of ten years.

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[47] This scheme includes the European Central Bank and national central banks of the Member States of the European Union that have adopted the euro.

[48] The implementation of the technical requirements, initially planned for 2019, has been postponed to the end of 2020. https://www.banque-france.fr/communique-de-presse/lobservatoire-de-la-securite-des-moyens-de-paiement-se-felicite-de-lavis-de-lautorite-bancaire.

### *(ii) Global landscape*

While Europe has been focusing on major regulatory changes, this trend has also been observed worldwide. The diagram below provides an illustrative example of some of these regulatory provisions implemented on an international level:

| | |
|---|---|
| Europe | • DSP2<br>• TIPS initiative<br>• P27 project (Poland) |
| India | • Regulations on data storage during transactions<br>• Interoperability measures*<br>• Unified digital identity platform |
| Singapore | • New legislation on payment services aimed at facilitating financial and technological innovation<br>• Regulations for mobile wallet suppliers |
| Indonesia | • Cross-border regulation of payments by QR Code (Quick Response code) |
| Australia | • Plan for the development of the payment market. Initiated in 2015, it is currently being reviewed and relates to topics such as cyber security, digital identity and even Open Banking |

**Interoperability refers to the unification and simplification of payment systems.*
Sources: *World payments Report, 2019; BCG, Global Payments 2019, Monetary Authority of Singapore and Australian Payments Council.*

Supranational regulations are superimposed on these targeted initiatives, such as anti-money laundering regulations via the recommendations of the Financial Action Task Force (FATF) on money laundering.

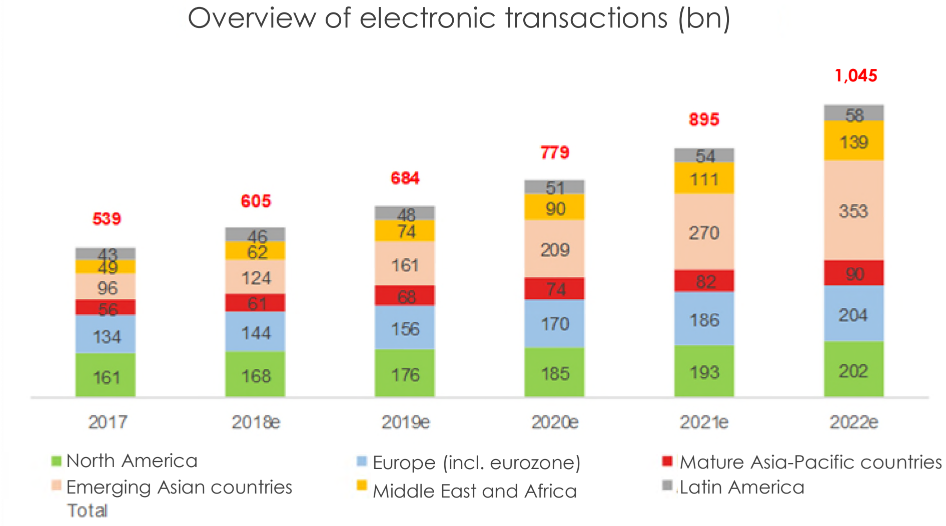
Government measures aimed at limiting cash payments to reduce money laundering and undeclared payments to tax authorities are further actions in this area.

## 3.1.2. Trends in the payment services sector[49]

Trends in the payment services sector over the last fifteen years have been focused on the continuous need for innovation and strengthening the digitization of payments.

The chart below shows the historical and prospective trends in terms of the number of electronic transactions across the world:

[49] Not all studies including data from 2019 are available.



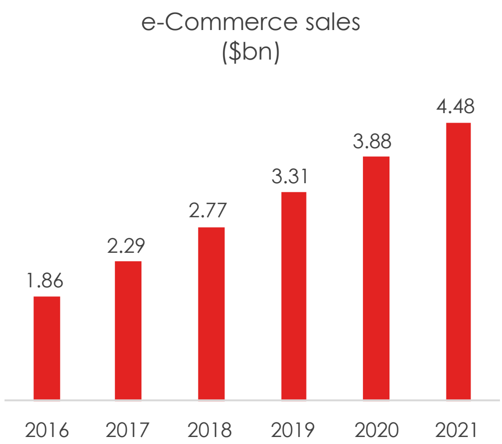

Source: 2019 Worldline URD, p. 28

### *3.1.2.1. Payment services segment*

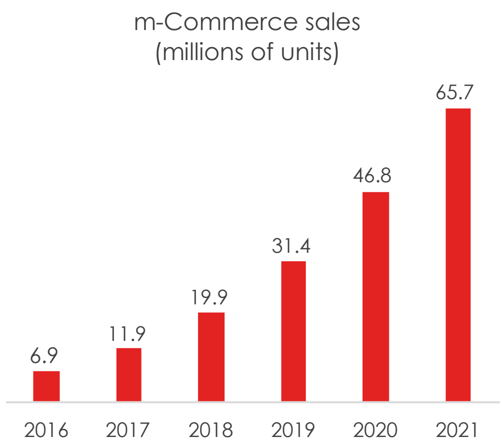
#### *(i) Growth factors*

The strong growth recorded in the payment services segment is underpinned by:

- a change in consumer behavior as it moves towards consumer lifestyles that require innovative payment services. As an illustration, the charts below show transaction trends in the "e-commerce" and "m-commerce" segments:




*Source: emarketer, Statista*




*Source: Ovum Mobile Payment Forecast 2014-2021*

- technological innovation, reflecting the development of contactless payments and instant payments, with funds becoming available just as fast as when paying with cash;
- a regulatory framework favorable to electronic payments; although this factor is beneficial to users, it nevertheless implies a complex series of regulations to ensure compliance with international (EMV[50]) and national standards. These regulatory requirements act as a barrier to entry into the market and help to limit the number of operators.

### *(ii) Analysis of payment services by geographic area*

Between 2013-2018, the global average annual growth rate (AAGR) of income derived from payments was 6% due to the switch from cash payments to contactless and instant payments.

This trend is expected to become even more entrenched over the next few years with expectations of convergent growth rates between mature and developing areas:

**AAGR by geographical area**

| State of the market | Geographical area | McKinsey 2013-2018 | McKinsey 2018-2023e | BCG 2019e-2028e |
|---|---|---|---|---|
| Developing region | Latin America | 14% | 7% | 5% |
| | Asia-Pacific | 8% | 7% | 6%* |
| Mature region | Europe | 2% | 5% | 6% |
| | U.S. | 6% | 5% | 4% |
| **Global market growth rate** | | **6%** | **6%** | **6%** |

* Rate for Asia, this region being mainly composed of Asia-Pacific.

- Europe and North America

The prospects for growth on the European market are boosted by Eastern European countries and the impact of stronger regulations.

Driven up to now by an increase in the number of transactions, income from payments generated by the United States is expected to increase 3.8% by 2028 as a result of the rise in contactless payments.

In 2018, 88% of the total volume of transactions was processed by the top ten acquirers in the United States, compared to 56% of the volumes processed by the top ten companies in Europe.

Although in recent years a process of consolidation has been underway in the United States, European companies, such as Worldline, Ingenico and Nets, are pursuing an active external growth policy, particularly in the acquirer segment. While not possessing the technological advances of independent acquirers, some banks could also merge or transfer their business to counter the loss of market share in the area of the acquisition business.

[50] Europay, Mastercard, Visa.

- Asia-Pacific and Latin America

The growth of transactions observed in Asia Pacific increased to 15% per annum over the 2013-2018 period, under the influence of government initiatives aimed at limiting cash transactions[51] and the positive reception for open banking[52], which has boosted the development of payment-related business activities. However, this trend has been offset by regulatory pressure and competition in terms of transaction fees.

Latin America has an estimated development potential of 5% per annum on average from now to 2028, under the combined effect:

- in Brazil, of the development of niche markets and banking innovation in terms of e-Wallet apps, as well as the approval by the Central Bank of the use of open banking;
- the opening of data acquisition markets in Chile and Argentina;
- the development of mobile platforms initiated by fintechs, offering a popular alternative to cash payments including TIGO in Guatemala and BIM in Peru.

### *3.1.2.2. Payment terminals segment*

#### *(i) Growth factors*

The main factors contributing to the development of payment terminals are:

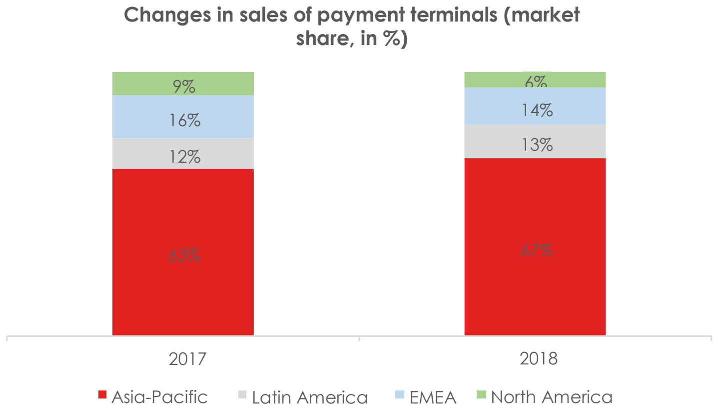
- increased use of EMV (international security standard offering enhanced protection against fraud) payment terminals;
- replacement of existing payment terminals;
- innovation;
- development of value-added services attached to the terminals (option to pay in the customer's currency, exemption of taxes for tourists, purchase of telephone credit directly from a terminal, etc.);
- extension of geographical areas;
- changing regulations in the area of payment services.

[51] In particular by means of a tax credit based on amounts paid by credit card.
[52] Open banking is the process of opening up bank information systems and sharing customer data with third parties.

### *(ii) Analysis of payment terminals by geographic area*[53]

The market for payment terminals is highly concentrated. In terms of conventional payment terminals,[54] three operators cover 82% of the market (Ingenico, VeriFone and Pax Global Technology); however, when taking [55]dongle manufacturers into account, this share drops to 39%.

The ease of using dongles has boosted the increase in sales of payment terminals in 2018 in emerging areas, particularly in Asia-Pacific, which accounted for 67% of the global market[56] to the detriment of mature markets (EMEA and North America), whose market share is decreasing:




*Source: The Nilson Report, 2019*

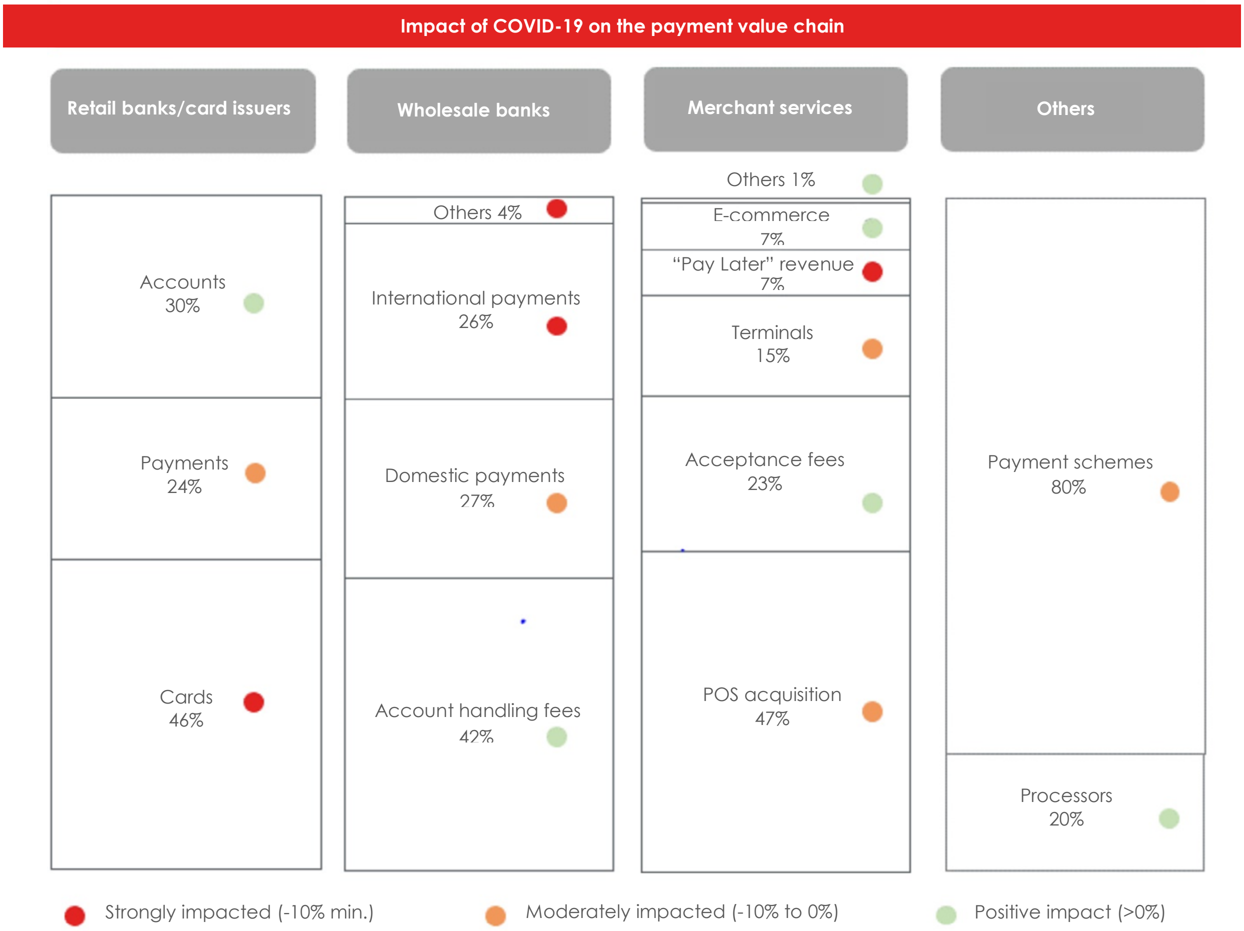
## 3.1.3. Impact of the COVID-19 health crisis in the payment services sector

The COVID-19 health crisis has affected the entire payments sector with a drop in the volume of transactions following the lockdown measures imposed by governments across the world and, more specifically, due to:

- a drop in consumption in the sectors most severely affected by the lockdown (hospitality/catering, tourism, transportation, distribution), which make up two-thirds of global payment volumes;
- the decrease in cross-border transactions, following the halt in international transport.

[53] The full-year data for FY 2019 are not yet available.
[54] Including mobile payment terminals, mPOS.
[55] Simplified bank card readers to be plugged into a smartphone or tablet.
[56] Compared with 63% in 2017.

However, the impact of the health crisis has changed based on the position of companies within the value chain:




Source: PWC, *"Payments and COVID-19: Mastering the Dilemma"*, 04/23/2020.
The study focuses on the European Union, the United Kingdom, Norway and Switzerland, and total income of €160 billion. Retail banks and card issuers associated with wholesale banks represent 75% of this income, merchant services 15%, payment schemes 8% and processors 2%.

The first estimates suggest an 8-10% drop in income from payments in 2020. However, despite the decline in income, the pace of the roll out of digital payment services as well as e-commerce and omni-channel payment solutions is expected to increase.

## 3.2. Main features of Ingenico Group

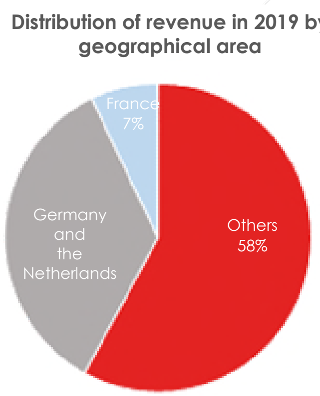
### 3.2.1. Positioning of Ingenico Group in its sector

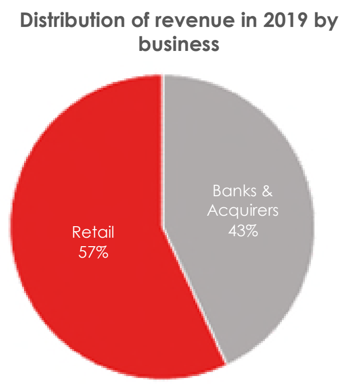
Founded in 1980, Ingenico Group offers a range of secure payment services across all sales channels; it is also the leading supplier of electronic payment terminals on a global scale.

Ingenico Group is structured to meet requirements regardless of the distribution channel:

- the Banks & Acquirers division ("**B&A**" or "**B&A Business**") enables its partners (banks, acquirers, processors, telephone operators, etc.) to manage payment services for small- and medium-sized merchants. It provides an optimized range of terminals with secure payment solutions and services with the aim of proposing a distinctive offer, while making the payment management process less complex;
- the Retail ("**Retail" or "Retail Business"**) unit aimed at direct merchant customers (small and medium-sized merchants, e-commerce, large-scale distributors), supports consumers in their omnichannel purchasing journey (development of cross-border activities, increase in conversion rate), by combining an offer comprising terminals, integrated in-store and online payment services, and omnichannel payment solutions. Payone, a joint venture between BS Payone and the retail assets of Ingenico Group in Germany, Austria and Switzerland, is a division of this unit.

The gross revenue of Ingenico Group, which stood at €3,370 million in 2019 (§ 3.2.3.1)[57], is broken down by business line and geographical area as follows:

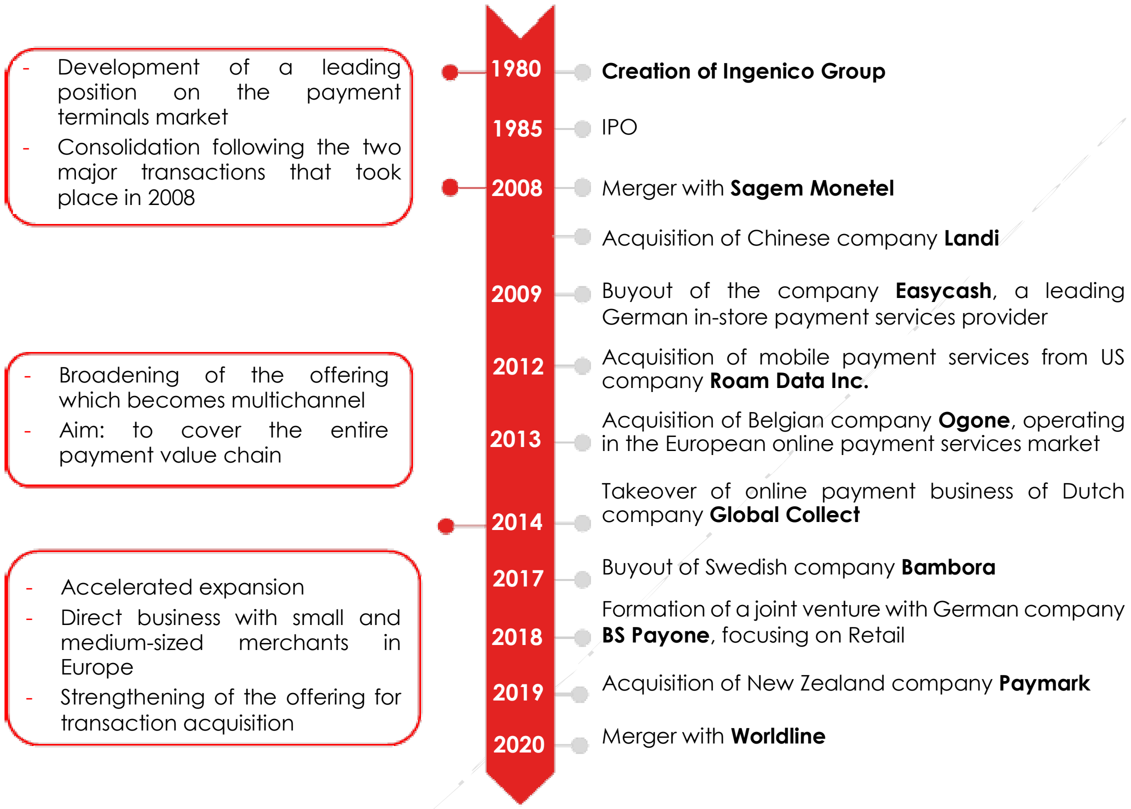



[57] According to the new financial reporting format, the net revenue of Ingenico Group amounted to €2,895m in 2019.

## 3.2.2. Historical growth and development factors of Ingenico Group[58]

Ingenico Group has developed through external growth operations, which highlight its desire for international expansion and pursuit of sources of growth:




*Source: Ledouble*

## 3.2.3. Historical performance of Ingenico Group

The figures below are obtained from the consolidated financial statements of Ingenico Group, prepared in compliance with IFRS international accounting guidelines, of which the annual closing date is December 31.

Starting from 2020, Ingenico is implementing a new financial reporting format to make it easier to read the performance of both the B&A and Retail divisions[59]:

- a presentation of Retail revenue net of interchange fees[60];
- a publication of EBITDA per division with identification of the central costs.

[58]Source: 2015 to 2018 Registration Documents (RD), the 2019 Universal Registration Document (URD), and press releases from Ingenico.
[59] In reference to European and US market practices.
[60] Note that net revenue is not a performance indicator within the meaning of the IFRS standards.

### 3.2.3.1. *Business and profitability analysis*[61]

In 2017, Ingenico reorganized into the B&A and Retail Business Units, which explains the lack of information for these segments in 2015.

Ingenico has applied the IFRS 16 standard ("Leases") as of January 1, 2019.[62] This standard requires lessees to use a single model to recognize leases; with the lessee recognizing a right-to-use asset and lease liabilities under its lessee obligation to pay rent[63].

The business activities and profitability of Ingenico Group, expressed as gross revenue, Profit from Ordinary Activities (POA) and Operating Results (EBIT[64]), have changed as follows over the last five financial years:

| INGENICO | | | | | | |
|---|---|---|---|---|---|---|
| €M | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| **Revenue (gross)** | **2,197** | **2,312** | **2,510** | **2,505** | **2,643** | **3,370** |
| ***% Change*** | | ***5.2%*** | ***8.6%*** | ***(0.2%)*** | ***5.5%*** | ***27.5%*** |
| Costs of sales | (1,237) | (1,337) | (1,475) | (1,471) | (1,649) | (2,208) |
| **Gross profit** | **960** | **975** | **1,035** | **1,034** | **995** | **1,162** |
| ***% of revenue*** | ***43.7%*** | ***42.2%*** | ***41.2%*** | ***41.3%*** | ***37.6%*** | ***34.5%*** |
| Distribution and marketing costs | (203) | (205) | (224) | (224) | (250) | (302) |
| Research and development expenses | (157) | (178) | (186) | (186) | (171) | (190) |
| Administrative expenses | (212) | (232) | (224) | (224) | (247) | (306) |
| **Profit from ordinary activities** | **389** | **361** | **402** | **401** | **326** | **364** |
| ***% of revenue*** | ***17.7%*** | ***15.6%*** | ***16.0%*** | ***16.0%*** | ***12.3%*** | ***10.8%*** |
| Other operating income | 1 | 4 | 0 | 0 | 0 | 5 |
| Other operating expenses | (9) | (8) | (30) | (30) | (48) | (58) |
| **Operating income** | **381** | **357** | **371** | **371** | **278** | **311** |
| ***% of revenue*** | ***17.3%*** | ***15.4%*** | ***14.8%*** | ***14.8%*** | ***10.5%*** | ***9.2%*** |
| Financial expenses | (103) | (84) | (69) | (74) | (112.0) | (91) |
| Financial income | 84 | 77 | 47 | 47 | 74 | 51 |
| **Net financial income** | **(19)** | **(8)** | **(23)** | **(27)** | **(38)** | **(40)** |
| Share of associate companies | (3) | (1) | (1) | (1) | 0 | - |
| **Profit before tax** | **360** | **348** | **347** | **343** | **241** | **271** |
| ***% of revenue*** | ***16.4%*** | ***15.1%*** | ***13.8%*** | ***13.7%*** | ***9.1%*** | ***8.0%*** |
| Income tax expense | (125) | (97) | (87) | (86) | (52) | (55) |
| **Net profit** | **235** | **251** | **260** | **257** | **189** | **216** |
| ***% of revenue*** | ***10.7%*** | ***10.8%*** | ***10.4%*** | ***10.2%*** | ***7.1%*** | ***6.4%*** |

* In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

[61] Source: Ingenico 2015 to 2018 Registration Documents and 2019 URD.
[62] To recap, IFRS 16 did not apply retrospectively to previous financial years when it entered into force.
[63] 2019 Ingenico URD, p. 179.
Correspondingly, IFRS 16 provides for the reclassification of non-EBITDA lease expenses, in terms of depreciation and financial interest.
[64] *Earnings Before Interest and Taxes* (EBIT).

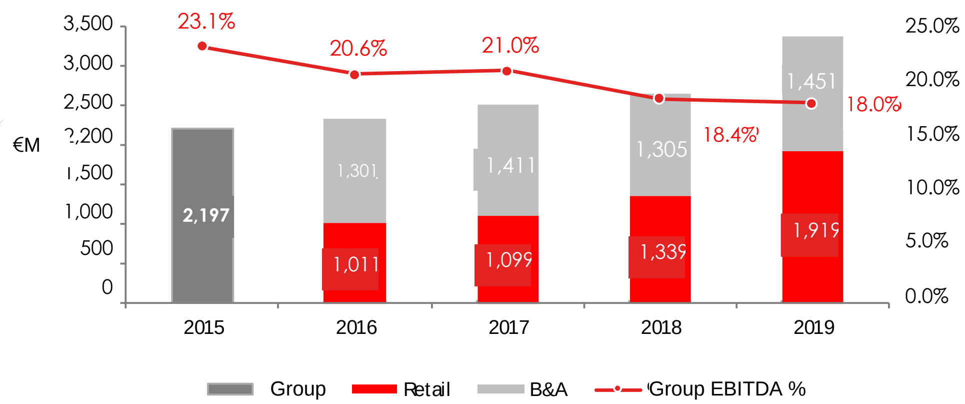
The reconciliation between alternative performance indicators and consolidated financial statements are presented below[65]:

| INGENICO | | | | | | |
|---|---|---|---|---|---|---|
| €M | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| **Revenue (gross)** | **2,197** | **2,312** | **2,510** | **2,505** | **2,643** | **3,370** |
| Costs of sales | n.a. | (1,307) | (1,443) | n.a. | (1,596) | (2,130) |
| **Gross profit** | **n.a.** | **1,005** | **1,067** | **n.a.** | **1,048** | **1,240** |
| ***% of revenue*** | ***-*** | ***43.5%*** | ***42.5%*** | ***-*** | ***39.6%*** | ***36.8%*** |
| Distribution and marketing costs | n.a. | (170) | (186) | n.a. | (190) | (228) |
| Research and development expenses | n.a. | (158) | (146) | n.a. | (136) | (142) |
| Administrative expenses | n.a. | (200) | (209) | n.a. | (235) | (264) |
| **EBITDA** | **508** | **477** | **526** | **526** | **488** | **606** |
| ***% of revenue*** | ***23.1%*** | ***20.6%*** | ***21.0%*** | ***21.0%*** | ***18.4%*** | ***18.0%*** |
| Other depreciation, amortization and DAP expenses | (55) | (49) | (60) | (60) | (71) | (130) |
| Share-based payment expenses | (16) | (24) | (13) | (13) | (0) | (12) |
| **EBIT** | **437** | **403** | **453** | **453** | **416** | **464** |
| ***% of revenue*** | ***19.9%*** | ***17.5%*** | ***18.1%*** | ***18.1%*** | ***15.7%*** | ***13.8%*** |
| PPA depreciation and amortization | (48) | (42) | (52) | (52) | (90) | (101) |
| **Profit from ordinary activities** | **389** | **361** | **402** | **402** | **326** | **364** |
| ***% of revenue*** | ***17.7%*** | ***15.6%*** | ***16.0%*** | ***16.0%*** | ***12.3%*** | ***10.8%*** |
| Restructuring costs | (7) | (6) | (29) | (29) | (40) | (44) |
| Other | (1) | 2 | (1) | (1) | (8) | (8) |
| **Operating income** | **381** | **356** | **371** | **371** | **278** | **311** |
| ***% of revenue*** | ***17.3%*** | ***15.4%*** | ***14.8%*** | ***14.8%*** | ***10.5%*** | ***9.2%*** |

* In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

Over the 2015-2019 period, the average annual growth rate (AAGR) was 11.3% due to the combined impact of the development of the Retail Business Unit and external growth efforts:

**Changes in Ingenico Group's gross revenue and profitability**




65 Source: 2019 Ingenico URD, p. 184.

After mature markets underperformed in 2018[66] (transition from a first equipment market to a renewal market), which was not offset by an increased market share in emerging countries[67], B&A revenue recovered in 2019 in the regions of the Americas and Eastern Europe, thanks in particular to the launch of the Android range.

The upward trend in Retail business resulted in an average annual increase in revenue of 23.8%, driven by the acquisition of Bambora in 2017 and the Payone joint venture in 2018, which was finalized in 2019 (§ 3.2.2). Growth in the Retail business unit has risen sharply over the last few years as a result of:

- its presence across a large section of the payment value chain;
- conquering new markets and geographical areas;
- development of services, including an online range.

This growth in activity has been offset by a drop in the EBITDA margin, with mixed results depending on the business segment involved (B&A and Retail), namely:

- a sharp drop over two consecutive years[68] in the B&A segment's EBITDA margin, impacted by an unfavorable geographical mix, as well as price pressure and increased competition; however, this activity is recovering thanks to transforming into a subscription-based system (Android solutions) and streamlining costs (B&A Revival Plan);
- a 15.7%[69] increase in the EBITDA margin of the Retail segment in 2019 due to lower operational costs, as a result of the savings plan announced in July 2018, which preceded the implementation of the "Fit For Growth"[70] plan in February 2019.

The EBITDA for the 2019 financial year, which stood at €606 million, was divided equally between the two segments, Retail (€301 million) and B&A (€305 million), thus recording an overall EBITDA margin of 18.0%. The application of IFRS 16 ("Leases") as of the 2019 financial year had a positive impact on the level of EBITDA[71].

On a recurring basis, Ingenico Group incurs costs for external growth reorganization projects, which have a negative impact on operating income, and accounted for 9.2% of gross revenue in 2019 compared with 17.3% in 2015.

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[66] In Europe and North America.
[67] Russia, Brazil, India and Indonesia.
[68] 2018 and 2019.
[69] Excluding IFRS 16 ("Leases"), the EBITDA margin of Retail came out at 14.6% in 2019 compared with 14.5% in 2018.
[70] Following the arrival of Mr. Nicolas Huss as *Chief Operating Officer* (COO) in July 2018 and Mr. Michel-Alain Proch as Chief Financial Officer in February 2019.
[71] AMOUNTING to €33 million, for an EBITDA margin of 18.0% in 2019. Excluding IFRS 16, in 2019, EBITDA stood at €573 million, i.e., a margin of 17%, down 0.4% compared to 2018 proforma (which includes 100% of acquisitions during 2018, particularly the BS Payone and Paymark transactions finalized in early January 2019).

### 3.2.3.2. *Analysis of the balance sheet structure*

The structure of the balance sheet over the last five financial years has changed as follows[72]:

| INGENICO | | | | | | |
|---|---|---|---|---|---|---|
| **€M** | **2015** | **2016** | **2017** | **2017*** | **2018** | **2019** |
| Goodwill | 1,351 | 1,409 | 2,479 | 2,479 | 2,490 | 2,800 |
| Intangible assets | 509 | 488 | 958 | 958 | 965 | 1,105 |
| Property, plant and equipment | 56 | 75 | 88 | 88 | 90 | 187 |
| WCR | (2) | (26) | 2 | (8) | (23) | 91 |
| **Economic assets** | **1,913** | **1,947** | **3,526** | **3,516** | **3,523** | **4,183** |
| Financial assets | 11 | 17 | 20 | 20 | 23 | 32 |
| Financial instruments | 9 | 9 | 6 | 6 | 14 | 1 |
| Intermediation business (net) | - | - | 0 | 0 | 2 | 2 |
| Current tax receivables | 7 | 27 | 21 | 21 | 36 | 21 |
| Current tax liabilities | (28) | (20) | (24) | (24) | (27) | (45) |
| **Other assets/liabilities** | **0** | **32** | **22** | **22** | **48** | **11** |
| Deferred tax assets | 49 | 58 | 61 | 63 | 53 | 56 |
| Deferred tax liabilities | (142) | (134) | (227) | (227) | (204) | (222) |
| **Deferred taxes** | **(94)** | **(76)** | **(165)** | **(164)** | **(150)** | **(166)** |
| Pension provisions | (17) | (25) | (25) | (25) | (21) | (63) |
| Other provisions | (52) | (54) | (43) | (43) | (39) | (42) |
| **Provisions** | **(69)** | **(79)** | **(69)** | **(69)** | **(60)** | **(105)** |
| Cash and cash equivalents | 920 | 1,014 | 596 | 596 | 775 | 814 |
| Financial borrowings and liabilities | (1,172) | (1,140) | (2,067) | (2,067) | (2,293) | (2,121) |
| **Net accounting debt** | **(252)** | **(126)** | **(1,471)** | **(1,471)** | **(1,518)** | **(1,307)** |
| Lease liabilities | - | - | - | - | - | (104) |
| Associate companies | 12 | 9 | 8 | 8 | 8 | 1 |
| Minority interests | (5) | (4) | (11) | (11) | (6) | (275) |
| **Accounting net assets (Group share)** | **1,506** | **1,703** | **1,840** | **1,832** | **1,845** | **2,238** |

*In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

- Goodwill

The development of Ingenico Group has been driven by external growth transactions in the Retail business unit (§ 3.2.2); for example goodwill, standing at €2,800 million as of December 31, 2019, was allocated to the Retail cash-generating unit to the tune of €2,371 million.

The significant increase in goodwill since 2017 was mainly due to the acquisition of Bambora (€1,037 million in 2017) and the creation of the joint venture with Payone (€380 million in 2018-2019[73]).

The impairment tests carried out on December 31, 2019 did not result in any impairment to the assets of the cash-generating units.

[72] Source: Ingenico 2015 to 2018 RD and 2019 URD.
[73] The creation of the joint venture with Payone, started in 2018, was finalized in 2019 (§ 3.2.2).

### › Intangible assets

Intangible assets, amounting to €1,105 million as of December 31, 2019, primarily include customer relationships (€653 million), and licenses and trademarks (€295 million), linked to the recognition of these assets in relation to the entities acquired by Ingenico; the balance is made up of development costs generated internally (€127 million) and various other items (€30 million).

### › Property, plant and equipment

Property, plant and equipment, amounting to €187 million as of December 31, 2019, consist primarily of land and buildings, IT equipment and leased terminals and also includes the right-of-use asset associated with these lease liabilities.

### › Working Capital Requirement (WCR)

Historically, Ingenico Group has had working capital of virtually nil at the end of the year, with the exception of the position at the end of the 2019 financial year:

| INGENICO | | | | | | |
|---|---|---|---|---|---|---|
| €M | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| Trade receivables | 404 | 429 | 491 | 491 | 558 | 587 |
| Inventories | 144 | 172 | 171 | 171 | 188 | 188 |
| Suppliers | (310) | (371) | (369) | (369) | (461) | (470) |
| **Operating WCR** | **238** | **230** | **293** | **293** | **285** | **305** |
| Social security and tax receivables | 30 | 41 | 43 | 43 | 63 | 83 |
| Social security and tax liabilities | (140) | (148) | (162) | (162) | (180) | (218) |
| **Social security and tax WCR** | **(110)** | **(107)** | **(119)** | **(119)** | **(117)** | **(135)** |
| Prepaid expenses | 18 | 16 | 26 | 26 | 22 | 27 |
| Deferred income | (126) | (116) | (124) | (141) | (155) | (157) |
| Finance lease receivables | 50 | 47 | 48 | 48 | 47 | 72 |
| Other receivables | 23 | 20 | 27 | 34 | 36 | 47 |
| Other debts | (96) | (115) | (149) | (149) | (141) | (67) |
| **Other WCR** | **(131)** | **(148)** | **(172)** | **(182)** | **(190)** | **(79)** |
| **WCR** | **(2)** | **(26)** | **2** | **(8)** | **(23)** | **91** |
| ***% of revenue*** | ***(0.1%)*** | ***(1.1%)*** | ***0.1%*** | ***(0.3%)*** | ***(0.9%)*** | ***2.7%*** |

*In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

The change in WCR during the 2019 financial year was due to the repayment of the €89 million debt at the start of 2019 to the vendors of Paymark (§ 3.2.2).

### › Financial assets

Financial assets, standing at €32 million as of December 31, 2019, consisted of financial investments (€26 million) and warranty deposits (€6 million).

### › Financial instruments

To hedge its foreign exchange and interest rate exposure arising from its operating, financing and investing activities, Ingenico uses derivative financial instruments. These hedging instruments are composed of forward exchange contracts, foreign exchange options, foreign exchange swaps and interest rate swaps.

- Intermediation activities

Ingenico provides intermediation between merchants, credit card issuers, and end consumers for payment services. These funds, which are offset by the assets and liabilities of the balance sheet, are managed on behalf of third parties. The funds cannot be used by Ingenico Group to finance its own cash requirements.

- Tax liabilities payable

Tax liabilities payable as of December 31, 2019 consist of €44.4 million abroad and €0.4 million in France.

- Deferred taxes

As of December 31, 2019 deferred taxes amounted to a net liability of (€166 million) and included:

- deferred tax assets amounting to €56 million corresponding to loss carry-forwards
  (€29.6 million), provisions for employee benefits (€20.4 million), as well as unrecognized tax losses and tax credits (€6.6 million);
- deferred tax liabilities amounting to (€222 million).

In our valuation (§ 4), we took into account the unused tax loss carry-forwards as of December 31, 2019, discounted at a seven-year cost of capital, amounting to €21 million.

- Provisions

Non-current provisions, which relate to retirement commitments and employee benefits, stood at €63 million as of December 31, 2019.

Other current and non-current provisions, amounting to €42 million as of December 31, 2019, mainly cover warranty risks (€17 million) and litigation (€9 million)[74].

- Net debt

Financial borrowings and liabilities, amounting to €2,121 million as of December 31, 2019 include:

- a convertible bond loan (OCEANE) issued in June 2015 maturing in June 2022 (€470 million);
- a bond loan issued in September 2017 maturing in September 2024 (€596 million);
- a bond loan issued in May 2014 maturing in May 2021 (€453 million);

[74] The balance consists of "other provisions" (€15 million) and "provisions for restructuring" (€1 million).

- commercial paper (€440 million);
- private investments contracted in December 2017 and May 2018 (€110 million);
- bank overdrafts (€43 million);
- interest accrued but not due (€9 million).

After accounting for cash (available cash and transferable securities), amounting to €814 million as of December 31, 2019, net financial debt stood at €1,307 million.

- Lease liabilities

In 2019, the first application of IFRS 16 ("Leases") resulted in the recognition of €104 million of lease liabilities as financial debt as of December 31, 2019.

- Associate companies

These equity investments correspond to a 15% minority shareholding in the capital of JoinedApp, a US company specializing in e-Commerce solutions embedded in email applications; the shareholding in Fixed & Mobile was sold in 2019.

- Non-controlling interests

Minority interests, amounting to €275 million as of December 31, 2019, mainly related to the Payone joint venture[75] (€270 million).

### 3.2.3.3. Outcome as of June 30, 2020

Ingenico Management indicated an outcome as at June 30, 2020 pertaining to:

- the half-year turnover and EBITDA;
- budget oversight and comparison with performances as at June 30, 2019;
- the change in net debt over the two quarters.

This information does not impact the validity of the results of our audits (see § 4 and § 5), which were performed on the basis of the following financial data[76]:

- Ingenico Management's Business Plan and Ingenico Consensus Business Plans;
- the organic projected performances for FY 2020 in anticipation of the impact of the health crisis (§ 4.8.1.1);
- net debt as at December 31, 2019 (§ 4.1.5) and projected cash flow for 2020.

[75] Payone is 52% owned by Ingenico and 48% by the Deutscher Sparkassenverlag Group (DSV-Gruppe).
[76] Taking account of the situation before and after the impact of the COVID-19 pandemic.

### 3.2.4. Summary

In short, the SWOT Matrix, presented below summarizes the strengths and weaknesses of Ingenico Group, as well as the threats and opportunities it faces on its market, making it relevant to the valuation of Ingenico Shares (§ 4).

**Strengths**

- The world's leading supplier of electronic payment terminals.
- Gains in market share in the terminal segment, particularly in the United States.
- In-store and online positioning to address the omnichannel challenges merchants face.
- Sustained growth of the Retail segment (AAGR of 24% between 2016 and 2019).
- Good track record of the new management in the operational and financial transformation of the Ingenico Group via the Fit For Growth plan and recent transactions.

**Weaknesses**

- Cyclical nature of the payment terminals business, depending on the equipment or renewals of installed terminals and depending on the geographical areas and their maturity.
- Slowdown in growth and price pressures in the B&A segment.
- Geographic mix, particularly with lower margins in emerging countries

**Opportunities**

- Ongoing changes to B&A services resulting in renewed growth or disposal of the business.
- Recovery of B&A business in the Americas region, which offsets weaknesses in other areas.
- Reduction in cash payments.
- Continued external growth through acquisitions or joint ventures particularly in Europe.
- Regulations promoting innovation, establishing technical barriers to entry.

**Threats**

- Increased competition from disruptive players, particularly in Asia (PAX Global, Square), implying an erosion of margins despite anticipated growth in the terminal market.
- Aggressive pricing policy of main competitors (VeriFone, PAX Global).
- Continued consolidation of the sector with increasing transaction multiples.
- Impact of COVID-19 on the global economy.

## 3.3. Main features of Worldline Group

### 3.3.1. Positioning of Worldline Group in its sector

Worldline Group is the European leader in the payments and transactional services sector.

Its offer is structured around three operational segments:

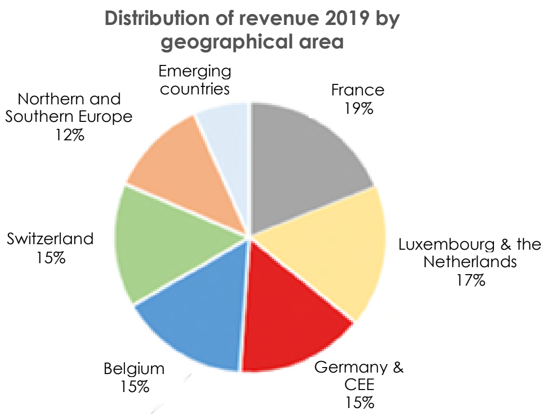
- **Merchant Services**, which include pan-European and national commercial acquisitions for both physical and online companies, which are managed in two divisions:
  - merchant payment services, which group together payment activities (acquisition of merchants, acceptance of omnichannel payments, payment terminals);

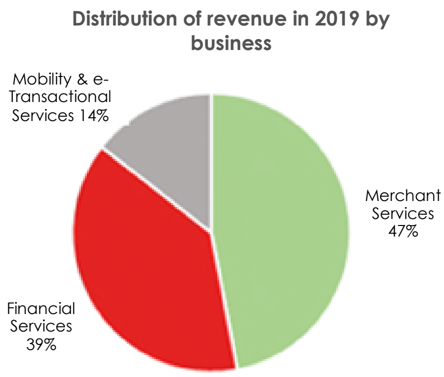
- merchant digital services, including online services, private cards and loyalty cards;

- **Financial Services**, for banks and financial institutions, ensuring the secure processing of payment transactions. This line of services is structured around four activities:
  - solutions for card issuers (e-wallets, payments in tokens, management of authentication processes, etc.);
  - payment order solutions for acquirers that allow transactions via mobile transactions or automated teller machines (ATMs);
  - processing of payments from bank accounts (non-card payments); and
  - online payment services (digital banking);

- the **Mobility & e-Transactional Services** line develops new digital services applied to mobility solutions and data analyses, based on payment transaction technologies developed by Worldline Group; for example, e-ticketing and secure paperless systems for public and private organizations.

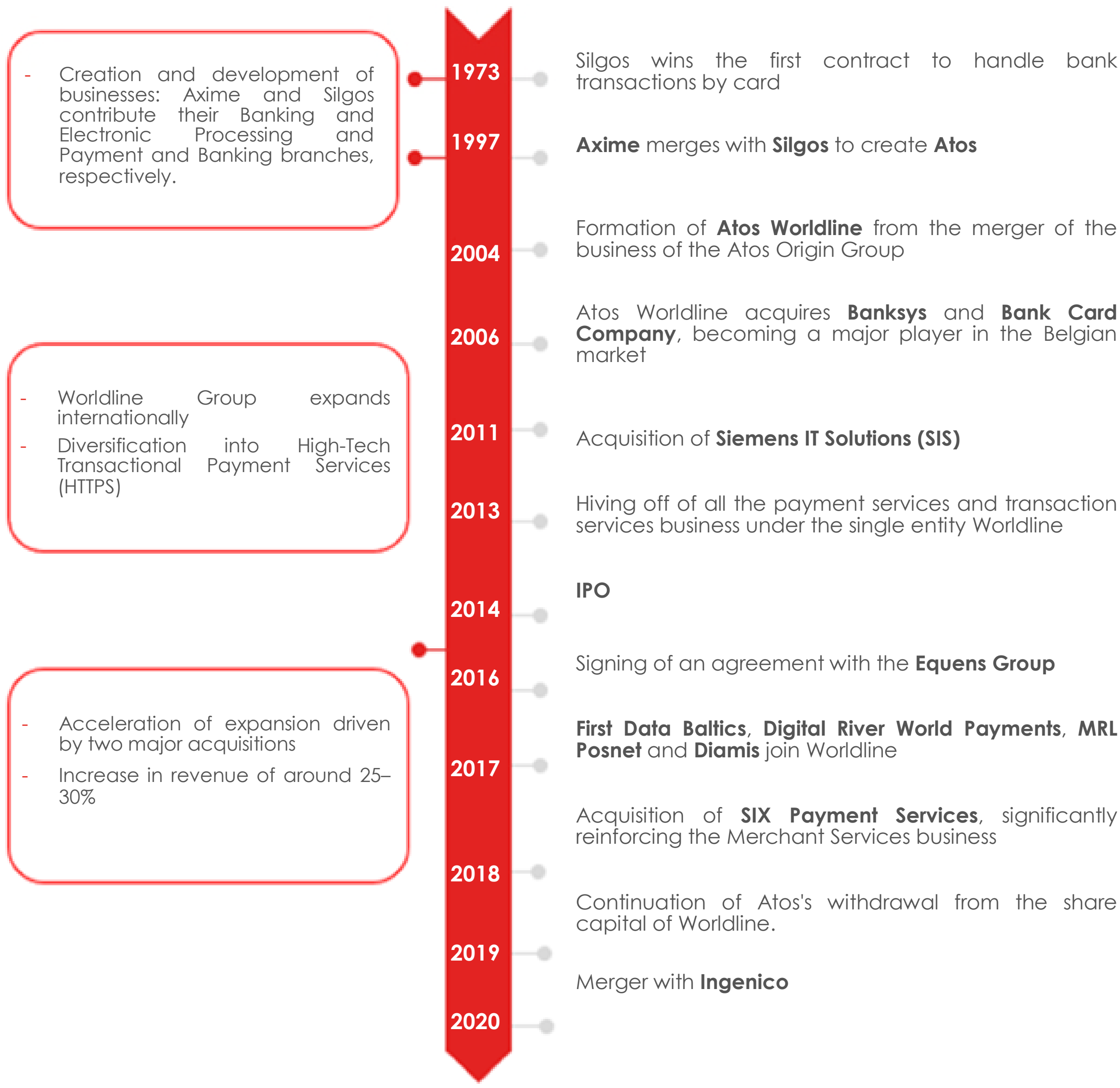
Revenue of Worldline Group, which stood at €2,382 million in 2019 (§ 3.3.3.1), is broken down by geographical area and business line as follows:



## 3.3.2. Historical growth and development factors of Worldline Group[77]

Since its creation, Worldline Group has developed primarily through external growth:




Source: Ledouble

[77] Sources: Annual and half-yearly financial reports (2015 to 2019), 2019 Worldline URD, press releases from Worldline.

### 3.3.3. Historical performance of Worldline Group

The figures below are obtained from the consolidated financial statements of Worldline Group, prepared in compliance with IFRS international accounting guidelines, whose annual closing date is December 31.

#### *3.3.3.1. Business and profitability analysis*

Over the last five financial years the business activities and profitability of Worldline Group, expressed as revenue and operational income (EBIT), have changed as follows:

| WORLDLINE | | | | | | |
|---|---|---|---|---|---|---|
| €M | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| **Revenue** | **1,227** | **1,309** | **1,594** | **1,553** | **1,720** | **2,382** |
| ***% Change*** | | ***6.7%*** | ***21.7%*** | ***18.6%*** | ***7.9%*** | ***38.4%*** |
| Personnel expenses | (504) | (536) | (612) | (612) | (693) | (870) |
| Operating expenses | (548) | (576) | (729) | (688) | (735) | (1,069) |
| **Operating margin** | **175** | **197** | **253** | **253** | **293** | **443** |
| ***% of revenue*** | ***14.3%*** | ***15.0%*** | ***15.9%*** | ***16.3%*** | ***17.0%*** | ***18.6%*** |
| Other operating income and expenses | (27) | 13 | (68) | (68) | (87) | (148) |
| **Operating income** | **148** | **210** | **185** | **186** | **206** | **294** |
| ***% of revenue*** | ***12.1%*** | ***16.1%*** | ***11.6%*** | ***11.9%*** | ***12.0%*** | ***12.4%*** |
| Financial expenses | (10) | (14) | (12) | (12) | (27) | (29) |
| Financial income | 4 | 8 | 3 | 3 | 6 | 151 |
| **Net financial income** | **(6)** | **(6)** | **(8)** | **(8)** | **(20)** | **122** |
| **Profit before tax** | **142** | **204** | **177** | **177** | **186** | **416** |
| ***% of revenue*** | ***11.6%*** | ***15.6%*** | ***11.1%*** | ***11.4%*** | ***10.8%*** | ***17.5%*** |
| Tax payable | (39) | (54) | (44) | (44) | (45) | (75) |
| Share of associate companies | - | - | 0 | 0 | (1) | (3) |
| **Profit for the Period** | **103** | **151** | **133** | **133** | **139** | **338** |
| **% of revenue** | **8.4%** | **11.5%** | **8.4%** | **8.6%** | **8.1%** | **14.2%** |

* In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

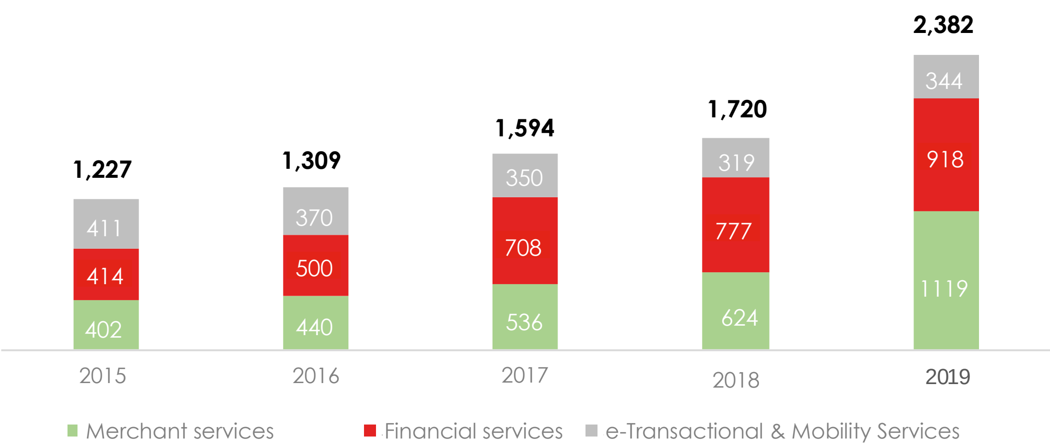
We present below the transition between operating margin and gross operating surplus[78] ("**GOS**"), which represents the underlying operational performance of day-to-day operations and the consolidated financial statements:[79]

| WORLDLINE | | | | | | |
|---|---|---|---|---|---|---|
| €m | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| **Operating margin** | **175** | **197** | **253** | **253** | **293** | **443** |
| ***% of revenue*** | ***14.3%*** | ***15.0%*** | ***15.9%*** | ***16.3%*** | ***17.0%*** | ***18.6%*** |
| Net allocations for amortization and impairment | 60 | 62 | 82 | 82 | 98 | 160 |
| + Amortization of property, plant and equipment and intangible assets | 51 | 55 | 91 | 91 | 95 | 143 |
| + Net value of assets transferred/scrapped | 1 | 7 | 1 | 1 | 4 | 7 |
| + Net allocations/(reversals) of pension provisions | 5 | 3 | (10) | (10) | 5 | 9 |
| + Net allocations/(reversals) of provisions | 1 | (3) | 1 | 1 | (6) | 0 |
| **Gross operating surplus (GOS)** | **235** | **259** | **335** | **336** | **391** | **602** |
| ***% of revenue*** | ***19.2%*** | ***19.8%*** | ***21.0%*** | ***21.6%*** | ***22.7%*** | ***25.3%*** |

*In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

Over the 2015-2019 period, the AAGR of Worldline Group's revenue was 18% due to the impact of external growth.

**Change in Worldline Group revenue per segment (€M)**




In 2019, consolidated revenue grew organically by 6.9% across all business activities of Worldline Group:

- **Merchant Services** profited simultaneously from in-store sales, with an increase in contactless payments and card payments for small amounts, as well as online payment transactions. Despite a fall in sales of terminals and digital services to merchants, organic growth in this segment stood at 6.6%;

[78] Worldline uses this aggregate in its financial communications to present a margin per business segment, included under the term "OMDA" (Operating Margin before Depreciation and Amortization) or "EBITDA" (Earnings Before Interest, Tax, Depreciation and Amortization). This aggregate corresponds to the gross operating surplus i.e., before depreciation and net allocation to provisions (Source: 2019 Worldline URD, p. 546).
[79] Source: 2019 Worldline URD, p. 271.

- the strong growth in **non-card payments** driven by SEPA transactions, **online banking services** under the effect of compliance with PSD2 (§ 3.1.1.3), as well as **issuer processing**, increased organic growth in the Financial Services segment to 5.9%;

- the **Mobility and e-Transactional** segment, posting a 10.8% growth, benefited from the expansion of electronic ticketing through the signing of several contracts (Tap2Use), Digital Trust Services and e-Consumer & Mobility Services.

The main geographical areas of Worldline Group benefited from this growth.

In recent years, Worldline has carried out external growth transactions, such as the takeover of Equens with a 63.6%[80] capital stake in 2016 and the buyout of SIX Payment Services in 2018[81] (§ 3.3.2), while continually improving its operational profitability. Its operating margin rate thus increased from 14.3% in 2015 to 18.6% in 2019, as a result of:

- strengthening commercial positions, particularly in the area of Merchant Services;

- improving productivity through cross-functional actions (TEAM[82] program) and streamlining structural costs;

- optimizing the synergies resulting from the various transactions.

The application of IFRS 16 ("Leases") as of the 2019 financial year had a positive impact on the GOS margin[83].

In 2019, operating income (€294 million) was calculated on the basis of the operating margin (€443 million) minus:

- the depreciation of patents and customer relationships (€76 million)[84];

- integration and acquisition costs (€40 million);

- depreciation of share-based compensation plans (€20 million);

- reorganization and rationalization costs (€7 million);

- other items include impairment losses on long-term assets and net allocations to provisions for litigation (€6 million).

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[80] Agreement signed on September 30, 2016, which led to the merger of the respective payment transaction processing activities of the two companies, grouped under the EquensWorldline entity, and the acquisition of Paysquare, a subsidiary of Equens operating in the merchant acquisition segment.
[81] Acquisition finalized on November 30, 2018 following the approval of the Combined Ordinary and Extraordinary Shareholders' Meeting.
[82] Three-year operational efficiency program initiated in 2014.
[83] Amounting to €41 million, i.e., an increase of 1.7 points. Excluding IFRS 16, in 2019, the GOS margin would have been 23.6%, consistent with the 2018 financial year (22.7%).
[84] This item is increasing given the depreciation of customer relationships recognized with the acquisition of SIX Payment Services.

### 3.3.3.2. Analysis of the balance sheet structure

The structure of the balance sheet over the last five financial years has changed as follows[85]:

| WORLDLINE | | | | | | |
|---|---|---|---|---|---|---|
| €m | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| Goodwill | 380 | 766 | 934 | 934 | 3,013 | 3,114 |
| Intangible assets | 124 | 312 | 353 | 353 | 1,094 | 1,047 |
| Property, plant and equipment | 66 | 104 | 129 | 129 | 146 | 144 |
| Financial assets | 56 | 27 | 32 | 32 | 109 | 98 |
| Associate companies | - | 0 | 4 | 4 | 3 | 5 |
| WCR | (109) | (102) | (187) | (187) | (219) | (146) |
| **Economic assets** | **518** | **1,108** | **1,264** | **1,264** | **4,147** | **4,261** |
| Cash and cash equivalents | 353 | 374 | 356 | 356 | 213 | 501 |
| Financial borrowings and liabilities | (30) | (26) | (47) | (47) | (248) | (1,142) |
| **Net accounting debt** | **323** | **348** | **309** | **309** | **(35)** | **(641)** |
| Deferred tax assets | 45 | 45 | 52 | 52 | 52 | 27 |
| Deferred tax liabilities | (7) | (47) | (57) | (57) | (192) | (207) |
| **Deferred taxes** | **38** | **(2)** | **(5)** | **(5)** | **(140)** | **(180)** |
| Rights of Use – IFRS 16 | - | - | - | - | - | 202 |
| Lease liabilities – IFRS 16 | - | - | - | - | - | (202) |
| Other financial assets and liabilities | (0) | (0) | 0 | 0 | 0 | 0 |
| **Other financial assets and liabilities** | **(0)** | **(0)** | **0** | **0** | **0** | **0.9** |
| Provisions for risks | (4) | (25) | (21) | (21) | (31) | (55) |
| Provisions for expenses | (86) | (138) | (121) | (121) | (133) | (165) |
| **Provisions** | **(90)** | **(162)** | **(142)** | **(142)** | **(164)** | **(220)** |
| Non-controlling interests | - | (161) | (175) | (175) | (209) | - |
| **Accounting net asset value** | **789** | **1,131** | **1,252** | **1,252** | **3,599** | **3,221** |

* In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

- Goodwill

Worldline Group's growth has been driven by external growth efforts, which explain the sharp rise in goodwill over the 2015-2019 period (§ 3.3.2).

Goodwill, which amounted to €3,114 million as of December 31, 2019, was mainly due to the acquisition of SIX Payment Services in November 2018 (€2,178 million), Equens/Paysquare and Cataps (€438 million), Banksys (€243 million), MRL Postnet (€50 million), First Data Baltics (€41 million) and Digital Rivers World Payment (€33 million).

[85] Sources: Worldline 2015 to 2018 RD, 2019 URD.

- Intangible assets

Intangible assets, amounting to 1,047 million as of December 31, 2019, consisted primarily of software and user licenses (€559 million) and customer relationships and patents (€477 million).

Business combinations in 2018, including the major acquisition of SIX Payment Services (§ 3.3.2), resulted in an increase in intangible assets of €758 million[86] in gross value as of December 31, 2018.

- Property, plant and equipment

Property, plant and equipment, amounting to €144,000 as of December 31, 2019, included computer equipment used in production centers within processing units and payment terminals leased to merchants.

- Financial assets

Financial assets, amounting to €98 million as of December 31, 2019 comprised:

  - the fair value of non-consolidated companies corresponding to the investments in Visa and Twint (€77 million);
  - assets dedicated to retirement plans (€16 million); and
  - loans, deposits and guarantees (€5 million).

- Associate companies

This item, which stood at €5 million as of December 31, 2019, corresponds to Worldline's investment in the African Fintech InTouch.

- Working Capital Requirement (WCR)

Historically, at the end of the year, Worldline Group posts a slightly negative WCR (working capital requirement), ranging from 6% to 13% of revenue.

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[86] Source: 2018 RD, p. 266.

| WORLDLINE | | | | | | |
|---|---|---|---|---|---|---|
| €m | 2015 | 2016 | 2017 | 2017* | 2018 | 2019 |
| Inventories | 14 | 18 | 20 | 20 | 35 | 41 |
| Trade receivables and related accounts | 243 | 295 | 316 | 316 | 361 | 414 |
| Trade payables and related accounts | (189) | (224) | (264) | (264) | (364) | (318) |
| **Operating WCR** | **67** | **89** | **71** | **71** | **32** | **136** |
| ***% of revenue*** | ***5.5%*** | ***6.8%*** | ***4.5%*** | ***4.5%*** | ***1.9%*** | ***5.7%*** |
| Social security and tax receivables | 22 | 24 | 27 | 27 | 44 | 23 |
| Social security and tax liabilities | (142) | (151) | (173) | (173) | (207) | (215) |
| **Social security and tax WCR** | **(120)** | **(126)** | **(145)** | **(145)** | **(163)** | **(192)** |
| ***% of revenue*** | ***(9.8%)*** | ***(9.6%)*** | ***(9.1%)*** | ***(9.1%)*** | ***(9.5%)*** | ***(8.1%)*** |
| Prepaid expenses | 28 | 60 | 61 | 61 | 61 | 51 |
| Deferred income | (40) | (82) | (84) | - | - | - |
| Other current assets | 18 | 34 | 43 | 43 | 76 | 157 |
| Other current liabilities | (62) | (76) | (132) | (216) | (225) | (298) |
| **Other WCR** | **(56)** | **(64)** | **(113)** | **(113)** | **(89)** | **(90)** |
| ***% of revenue*** | ***(4.6%)*** | ***(4.9%)*** | ***(7.1%)*** | ***(7.1%)*** | ***(5.2%)*** | ***(3.8%)*** |
| **WCR** | **(109)** | **(102)** | **(187)** | **(187)** | **(219)** | **(146)** |
| ***% of revenue*** | ***(8.9%)*** | ***(7.8%)*** | ***(11.7%)*** | ***(11.7%)*** | ***(12.7%)*** | ***(6.1%)*** |

*In the consolidated financial statements as of December 31, 2018, the year 2017 was restated to show the retrospective effect of the application of IFRS 15.

The change in WCR observed during the 2019 financial year was mainly due to an increase in trade receivables combined with a drop in trade payables; in relation to revenue, which now includes the full effect of previous acquisitions. The net working capital now accounts for 6.1%[87].

- Net accounting debt

As of December 31, 2019, borrowings and financial debts, amounting to €1,142 million, consisted primarily of:

- convertible bonds of €557 million. This loan, with a maturity of seven years and a nominal amount of €600 million, starting on July 30, 2019, does not bear interest;
- a bond debt of €497 million, issued on September 18, 2019, for five years at an annual interest rate of 0.25%; the nominal amount of the loan was €500 million.

These two bond issues raised €1,100 million to finance the acquisition of the residual minority interests (36.4%) of Equens Worldline over the course of the last financial year.

Net accounting debt, which stood at €641 million as of December 31, 2019, includes the aforementioned borrowings and financial debts (€1,142 million), minus the cash and cash equivalents item (€501 million).

[87] That is, approximately 22 days of revenue.

- Deferred taxes

Deferred taxes as of December 31, 2019, were recorded as a net liability of €180 million and included:

- deferred tax liabilities of €207 million, associated with the recognition of intangible assets connected to corporate acquisitions;
- deferred taxes assets on loss carry-forwards of €27 million, out of a loss carry-forwards base of €124 million[88].

In our valuation (§ 4), we have taken into account indefinitely unrecognized tax losses, discounted at a five-year cost of capital rate.

- Other financial assets and liabilities

Other financial assets and liabilities include:

- the impact, in terms of presentation, of the application of IFRS 16, which resulted in the recognition of a right-to-use asset and lease liabilities of a similar amount (§ 3.2.3.1); thus having a neutral impact on the balance sheet;
- other elements consisting primarily of current financial instruments (€0.4 million).

- Provisions for liabilities and charges

The provisions for liabilities and charges, which amounted to €220 million as of December 31, 2019, consisted of retirement commitments and employee benefits amounting to €160 million, with the balance, i.e., €60 million, corresponding to:

- a €55 million provision for liabilities, covering tax and corporate litigation, as well as litigation related to warranties on sales;
- provisions for charges (€5 million) related to reorganizations and commitments made in the context of projects.

- Non-controlling interests

Worldline no longer holds any minority interests in its subsidiaries as of December 31, 2019; the acquisition of Equens Worldline[89] was finalized in 2019 for €1,071 million, corresponding to 36.4% of the company's share capital.

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[88] Source: 2019 Worldline URD, pp. 313-314. Only a portion of these loss carry-forwards resulted in the recognition of a deferred tax asset.
[89] Worldline Press Release, 2019. "Finalization of the acquisition of 36.4% of the minority interests in Equens Worldline".

#### 3.3.3.3. *Outcome as of June 30, 2020*

We received formal confirmation of the half-year outcomes from Worldline Management at June 30, 2020 would be in line with the 2020 targets updated in the context of the COVID-19 pandemic which were announced on April 23, 2020[90].

Worldline Management also formally confirmed to us that its projections for FY 2020 were unchanged.

These data support the results of our audits, which include the updated 2020 targets reflecting the context of the COVID-19 pandemic, released by Worldline on April 23, 2020. The audit results therefore hold true (§ 5).

### 3.3.4. Summary

In short, the SWOT matrix, presented below, summarizes the strengths and weaknesses of Worldline Group, as well as the threats and opportunities it faces on its market, making it relevant to the valuation of Worldline shares (§ 4).

**Strengths**

- European leader in electronic payment solutions and transactional services.
- Broad portfolio of business with exposure to fast-growing sectors (merchant acquisition, online solutions) and mature sectors.
- Reduced exposure to terminal business, which is nevertheless located in geographical areas with potential.
- Good track record of recent acquisitions (Six Payment, Equens) in terms of margins and synergies.

**Weaknesses**

- Margins structurally weaker than those observed in competitors.
- Risk of loss of Enterprise customers to corporate payment specialists (Ayden, Stripe, Square).
- Significance of the structurally non-organic portion of growth.

**Opportunities**

- Increase in mobile, online and contactless payments associated with a reduction in cash payments.
- Continued external growth through acquisitions or joint ventures particularly in Europe.
- Financial flexibility following the withdrawal of Atos from Worldline's share capital.
- Regulations promoting innovation, establishing technical barriers to entry.

**Threats**

- Increased competition by the arrival of new players in the payment market (fintechs, start-ups).
- Continued consolidation of the sector with increasing transaction multiples.
- Impact of COVID-19 on the global economy.

[90] Worldline press release, April 23, 2020

# 4. Multi-criteria valuation of Ingenico Shares and Worldline Shares

We have implemented a multi-criteria valuation in order to assess the fairness of the terms of the Offer launched by Worldline for Ingenico Shares, which includes the three components of the Transaction involving Ingenico Shares and Worldline Shares (§ 2.2.2.1):

- the **Main Offer** comprising an option in Worldline securities and a cash option based on an exchange parity of 11 Worldline Shares and €160.50 for 7 Ingenico Shares, respectively;
- the **Subsidiary Public Exchange Offer** in Worldline securities based on an Exchange Parity of 56 Worldline Shares for 29 Ingenico Shares;
- the **Subsidiary Public Offer** for a price of €123.10 per Ingenico Share.

After stating:

- the data structuring the valuation (§ 4.1);
- the valuation methods set aside (§ 4.2); and
- the analysis of stock market references on Ingenico and Worldline securities *i.e.*, the *stricto sensu* price and the consensus of analysts on Ingenico and Worldline securities (§ 4.3).

we present in a successive order:

- the valuation methods that we consider to be the most relevant, in order to assess the fairness of the Main Offer Price, the Exchange Parity and the Subsidiary Purchase Offer Price (§ 4.4 to § 4.8);
- the assessment of the impact of synergies (§ 4.9);
- the summary of the multi-criteria valuation and the assessment of premiums incurred by the three components of the Offer (§ 5). [91]

## 4.1. Data structuring the valuation

### 4.1.1. Accounting guidelines

Ingenico and Worldline have prepared their consolidated financial statements in accordance with the IFRS guidelines applicable to listed companies.

The consolidated financial statements and the annual financial statements for the last financial year ended December 31, 2019 were certified without reservation by the statutory auditors of Ingenico and Worldline.

[91] On the basis of a multi-criteria valuation of Ingenico Shares and Worldline Shares, in summary, we reported the premiums included respectively in the Main Offer Price (§ 5.1), the Exchange Parity (§ 5.2) and the Subsidiary Purchase Offer Price (§ 5.3)..

### 4.1.2. Valuation date

The valuation of Ingenico Shares and Worldline Shares was carried out on the Transaction announcement date and on the Report date. This dual assessment is linked to the COVID-19 health crisis and its economic consequences, which changed the short- and medium-term objectives of both groups after the Transaction was announced.

The consolidated financial statements for the financial year ended December 31, 2019, which are the latest published accounts, serve as a reference to the historical financial data used in the assessment of the Ingenico Shares and Worldline Shares, notably in relation to net debt (§ 4.1.5).

The reference to the stock market prices of Ingenico Shares and Worldline Shares is that of January 31, 2020, the last listing date before the Transaction announcement[92] (§ 4.3). The post-announcement prices of the Transaction incorporate its effects and its financial conditions as well as the effects of the health crisis (§ 4.3.1).

In the current health crisis context, the market parameters used for the multi-criteria valuation of Ordinary Shares, such as forecast cash flow discounting rates, as well as the aggregates and market capitalization of comparables, were halted on January 31, 2020 (§ 4.4 and § 4.5) and on June 16, 2020 (§ 4.8).

### 4.1.3. Total number of shares

#### *4.1.3.1. Ingenico*

Our calculations of the unit value of Ingenico Shares were made based on the number of securities outstanding as of December 31, 2019[93], excluding treasury shares, plus free shares relating to rights that are vesting, i.e., a total of 63,221,479 shares[94]:

| Diluted number of shares | | |
|---|---|---|
| Ingenico | 12/31/2019 | 05/31/2020 |
| **Shares issued** | **63,713,047** | **63,713,047** |
| Treasury shares | (1,315,400) | (1,315,400) |
| Free share awards | 823,832 | 760,326 |
| **Diluted number of shares** | **63,221,479** | **63,157,973** |

*Source: Ingenico*

[92] Worldline. "Creation of a new world-class leader in payment services. Worldline to acquire Ingenico" February 3, 2020.
[93] As a reminder, the number of diluted Ingenico Shares as of May 31, 2020 was 63,157,973.
[94] Ingenico OCEANE shares were not included in the diluted number of shares, in that they are not cash instruments (§ 4.1.5.1).

#### 4.1.3.2. Worldline

Our calculations of the unit value of Worldline Shares were made based on the number of securities outstanding as of December 31, 2019[95], excluding treasury shares, plus stock options, i.e., a total of 183,304,869 shares[96]:

| Diluted number of shares | | |
|---|---|---|
| Worldline | 12/31/2019 | 05/31/2020 |
| **Shares issued** | **182,764,457** | **182,927,862** |
| Treasury shares | (368,877) | (353,347) |
| Stock options plan | 909,289 | 862,785 |
| **Diluted number of shares** | **183,304,869** | **183,437,300** |

*Source: Worldline*

### 4.1.4. Taxation

#### 4.1.4.1. Ingenico

As of December 31, 2019, the effective tax rate in the consolidated financial statements of Ingenico Group was 20.2%[97].

In our valuation work, we have used, in moving from enterprise value to equity value, and isolating it from the net financial debt, an amount of €21m in tax savings corresponding to unused tax loss carryforwards discounted at the cost of capital up to 2026[98] (§ 3.2.3.2).

#### 4.1.4.2. Worldline

As of December 31, 2019, the effective tax rate in the consolidated financial statements of Worldline was 18.0%[99].

Tax savings, of a non-significant amount, corresponding to unused tax loss carryforwards discounted at the cost of capital, were incorporated into cash assets (§ 3.3.3.2).

### 4.1.5. Net debt

The multi-criteria valuation of Ingenico Shares and Worldline Shares is based on a net debt as of December 31, 2019, which lies between the enterprise value and the equity value of the two groups.

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[95] As a reminder, the number of diluted Wordline Shares as of May 31, 2020 was 183,437, 300.
[96] Worldline Management has confirmed that there has been no change in the diluted number of shares since December 31, 2019.
[97] Source: 2019 Ingenico URD, p. 222.
[98] Forecast end date for use of tax losses.
[99] Source: 2019 Worldline URD, p. 233.

In order to take account of the specific features of the methods we have implemented, we have used a differentiated net debt for each of them[100].

### 4.1.5.1. Ingenico

The net financial debt of Ingenico Group, amounting to **€1,307m[101]** as of December 31, 2019 (§ 3.2.3.2), is summarized as follows:

| Net accounting debt – INGENICO | |
|---|---|
| €m | 2019 |
| OCEANE convertible bond issue | (470) |
| Bond issues | (1,049) |
| Commercial paper and other financial liabilities | (550) |
| Bank overdrafts and other debt items | (52) |
| **Gross accounting debt** | **(2,121)** |
| Cash and cash equivalents | 814 |
| **Net accounting debt** | **(1,307)** |

As OCEANE Bonds are out of the money, their current conversion into shares is unlikely. Consequently, the associated borrowing of €470m was retained in net accounting debt and the number of shares corresponding to the conversion of OCEANE Bonds was not included in the diluted number of shares (§ 4.1.3.1).

› Net financial debt of Ingenico Group as intrinsic value

The net financial debt that we use for the intrinsic value of Ingenico Group (§ 4.4.4 and § 4.8.2), amounting to **€1,306m**, consists of net accounting debt adjusted by:

- other financial assets consisting of loans and advances and hedging elements for future cash flows of €16m and €26m respectively;
- the discounted value of tax savings attached to tax loss carryforwards (§ 4.1.4.1);
- the portion of net financial debt associated with minority interests in Payone[102];
- equity securities of equity-accounted companies;
- financial instruments;
- provisions for which disbursements are pending or medium-term (provisions for pensions and provisions for liabilities and charges), net of deferred tax assets relating thereto;
- minority interests associated with other consolidated subsidiaries and associates;

[100] The net debt in our intrinsic valuation restates certain elements included in Ingenico Management's Business Plan. The net debt in our analogical valuation is similar to that of our databases.
[101] 2019 Ingenico URD, p. 206.
[102] The minority interests associated with the Payone *joint venture* were immediately removed from Ingenico Management's Business Plan flows.

- debt owed to DSV shareholders.

| INGENICO net financial debt – DCF method | |
|---|---|
| €m | 2019 |
| **Net accounting debt** | **(1,307)** |
| Other financial assets | 42 |
| Losses carried forward | 21 |
| Share of net financial debt associated with non-controlling interests* | 2 |
| Equity interests in associates | 1 |
| Financial instruments | 1 |
| Pension provisions net of deferred tax assets | (43) |
| Other provisions net of tax | (15) |
| Non-controlling interests associated with other consolidated subsidiaries and associates | (5) |
| Debt owed to DSV shareholders | (4) |
| **Net financial debt – DCF method** | **(1,306)** |

** Excluding the portion of pension provisions and other provisions net of tax.*

### › Net financial debt of Ingenico Group as analogical value

In accordance with the information obtained from our databases concerning comparable companies, for the analogical value of Ingenico Group (§ 4.5.3.1 and § 4.8.3) we use a net financial debt of **€1,301m** corresponding to the net financial debt minus:

- the discounted value of tax savings attached to tax loss carryforwards (§ 4.1.4.1);
- the portion of net financial cash associated with minority interests in Payone; and
- minority interests associated with other consolidated subsidiaries and associates.

| INGENICO net financial debt – Analogue method excluding IFRS 16 | |
|---|---|
| €m | 2019 |
| **Net accounting debt** | **(1,307)** |
| Losses carried forward | 21 |
| Portion of net financial cash associated with non-controlling interests | (10) |
| Non-controlling interests associated with other consolidated subsidiaries and associates | (5) |
| **Net financial debt – Analogue method** | **(1,301)** |

Taking into account the impact of the IFRS 16 standard with regard to leasing obligations, amounting to €104m (§ 3.2.3.2), the net financial debt is **€1,406m**:

| INGENICO net financial debt – Analogue method including IFRS 16 | |
|---|---|
| €m | 2019 |
| **Net accounting debt** | **(1,307)** |
| Losses carried forward | 21 |
| IFRS 16 debt | (104) |
| Portion of net financial cash associated with non-controlling interests | (10) |
| Non-controlling interests associated with other consolidated subsidiaries and associates | (5) |
| **Net financial debt – Analogue method** | **(1,406)** |

### 4.1.5.2. Worldline

The net financial debt of Worldline Group, amounting to **€641m**[103] as of December 31, 2019 (§ 3.3.3.2), is summarized as follows:

| Net accounting debt – WORLDLINE | |
|---|---|
| €m | 2019 |
| OCEANE convertible bond issue | (557) |
| Bond issue | (497) |
| Other financial liabilities | (88) |
| **Gross accounting debt** | **(1,142)** |
| Cash and cash equivalents | 501 |
| **Net accounting debt** | **(641)** |

As OCEANE Bonds are out of the money, their current conversion into shares is unlikely. Accordingly, the associated borrowing of €557m was retained in the net accounting debt and the number of shares corresponding to the conversion of OCEANE Bonds was not included in the diluted number of shares (§ 4.1.3.2).

› Net financial debt of Worldline Group as intrinsic value

The net financial debt that we use for the intrinsic value of Worldline Group (§ 4.4.5 and § 4.8.2), amounting to **€689m**, consists of net accounting debt adjusted by:

- the value of securities of non-consolidated companies[104];
- cash receivable in the financial year from *stock options*, the number of which is included in the diluted share total (§ 4.1.3.2);
- deferred tax assets net of deferred tax liabilities;
- equity securities of equity-accounted companies;

[103] 2019 Worldline URD, p. 268.
[104] The Visa securities were valued on the basis of the number of securities held and a 1-month average price as of January 31, 2020.

- provisions for which disbursements are planned in the short or medium term (provisions for pensions and provisions for liabilities and charges).

| Net accounting debt – WORLDLINE | |
|---|---|
| €m | 2019 |
| **Net accounting debt** | **(641)** |
| Non-consolidated companies | 123 |
| Cash – Exercise of stock options | 27 |
| deferred tax assets/deferred tax liabilities | 18 |
| Associate companies | 5 |
| Pension provisions | (160) |
| Provisions for liabilities and charges | (60) |
| **Net financial debt – intrinsic method** | **(689)** |

› Net financial debt of Worldline Group as analogical value

For the analogical valuation of the Worldline Group, we retain a net financial debt of **€487 M** (§ 4.5.3.2 and 4.8.3) corresponding to the adjusted net book debt at December 31, 2019 of:

- the value of securities of non-consolidated companies[105];
- cash receivable from the exercise of stock options;
- equity securities of equity-accounted companies.

| WORLDLINE net financial debt – Analogue method excluding IFRS 16 | |
|---|---|
| €m | 2019 |
| **Net accounting debt** | **(641)** |
| Non-consolidated companies | 123 |
| Cash – Exercise of stock options | 27 |
| Associate companies | 5 |
| **Net financial debt – Analogue method** | **(487)** |

Taking into account the impact of the IFRS 16 standard with regard to leasing obligations, amounting to €202m (§ 3.3.3.2), the net financial debt is **€689m**:

[105] The Visa securities were valued using a market capitalization incorporating the number of securities held associated with a 1-month average price as of January 31, 2020.

| WORLDLINE net financial debt – Analogue method including IFRS 16 | |
|---|---|
| €m | 2019 |
| **Net accounting debt** | **(641)** |
| Non-consolidated companies | 123 |
| Cash – Exercise of stock options | 27 |
| Associate companies | 5 |
| IFRS 16 debt | (202) |
| **Net financial debt – Analogue method** | **(689)** |

## 4.2. Valuation methods set aside

The method of discounting future dividends makes it possible to assess the yield value of minority securities.

We have implemented a valuation by discounting forecast cash flows (§ 4.4), building in the potential for distributing long-term dividends and allowing the undistributed portion of the income to be taken into account.

Furthermore, we do not have any forecast information on dividend payments from Ingenico; in the current context, the distribution of dividends proposed to the General Meeting for the 2019 financial year has been canceled[106].

In the absence of historical dividend distribution by Worldline, the valuation method based on the discounting of dividends has not been adopted.

## 4.3. Reference to the stock market price and analysts' price objectives

The reference to the market value of Ingenico Shares and Worldline Shares is discussed below, in terms of both the history and the price objectives of analysts responsible for monitoring them.

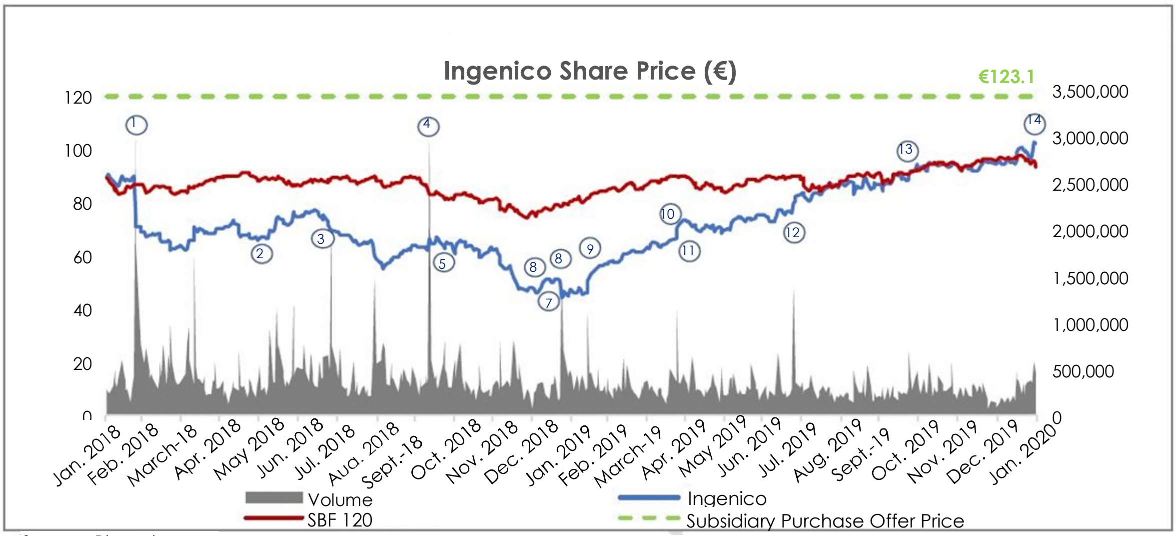
### 4.3.1. Historical analysis of the stock market price

#### *4.3.1.1. Ingenico*

Ingenico Shares were admitted to trading on the Euronext Paris market in 1985; to date, they have been traded on sub-fund A of the Euronext Paris regulated market.

We present below the changes in the stock market price[107] over the 24 months prior to January 31, 2020, the last listing before the Transaction was announced, compared to the SBF 120 rebased index:

[106] Source: Ingenico, Press Release, April 22, 2020.
[107] The daily prices selected were weighted by the trading volumes.




*Source: Bloomberg*

The offer price mentioned for the purposes of the price analysis corresponds to the initial Offer price of €123.10.

The main events within the Ingenico Group relating to the changes in the Ingenico Share price during this observation period are identified below:

| No. | Date | Comments |
|---|---|---|
| 1 | 02/22/18 | Publication of annual financial statements for 2017: Revenue of €2,510 million (+7% on a comparable basis and +9% on reported figures) and EBITDA of €528 million (+10%).<br>Announcement of an EBITDA objective for 2018 of between €545 million and €570 million (+10% compared to EBITDA 2017). |
| 2 | 5/30/2018 | **Entry into exclusive negotiations between Ingenico and SFV to merge BS Payone with the assets of Ingenico's Retail business in Germany, Austria and Switzerland (DACH).** |
| 3 | 7/25/2018 | Publication of half-yearly financial statements for 2018: Revenue of €1,229 million (-3% on a comparable basis and +1% on reported figures) and EBITDA of €193 million (-21%), impacted by the business mix and the effects of a significant basis for comparison in B&A (demonetization process in India).<br>**Creation of the Joint Venture with DSV (Payone) in Germany.** |
| 4 | 10/10/2018 | Press rumors concerning the group's merger with Natixis or Edenred. |
| 5 | 10/23/2018 | Publication of Q3 revenue (+8% on a comparable basis and +15% on reported growth).<br>Downward revision of the EBITDA objective for 2018 to €510 million. |
| 6 | 1/8/2019 | Completion of the merger of BS Payone with the assets of Ingenico's DACH Retail business. |
| 7 | 1/11/2019 | Finalization of Ingenico's acquisition of Paymark. |
| 8 | 1/22/2019 | Revenue 2018 increased to €2,643 million (+2% on a comparable basis and +5% on reported growth) as a result of the dynamism of the Retail business.<br>**Downward revision of EBITDA objectives for 2018 to €480 million due to the under-performance of B&A business and the issue of a profit warning.** |
| 9 | 2/12/2019 | Publication of annual financial statements for 2018: EBITDA fell to €488 million (-7%).<br>**Launch of the** "Fit for Growth" plan, based on the commercial redesign of B&A, the acceleration of business in the Retail division and the reduction of operational costs.<br>Announcement of objectives for 2019: Revenue: +4% to +6% and EBITDA in excess of €550 million, including €270 million in Retail business and €280 million in B&A business. €35 million in cost savings and €15m in investments. |
| 10 | 4/23/2019 | Publication of quarterly financial statements for 2019: Revenue growth of 12% on a comparable basis and 29% on reported figures.<br>Adjustment of annual objectives to the top of the range for revenue (+6%) and no change to EBITDA objectives. |
| 11 | 4/24/2019 | **Announcement of the 2021 strategic plan, focusing on accelerating the growth of Retail business and restoring the competitiveness of the B&A business.**<br>The main financial objectives are as follows: Organic AAGR 2018-2021 in excess of 6% and EBITDA 2021 of €700 million. |
| 12 | 7/23/2019 | Publication of half-yearly financial statements for 2019: Revenue of €1,611 million (+13% on a comparable basis and +31% on reported figures) and EBITDA of €254 million (+12%).<br>Upward revision of all objectives for 2019: Revenue: +9% and EBITDA (post IFRS 16) in excess of €590 million. |
| 13 | 10/22/2019 | Publication of Q3 revenue (+10% on a comparable basis and +28% on reported growth).<br>The 2019 objectives were reaffirmed. |
| 14 | 2/3/2020 | Preliminary publication of annual financial statements for 2019: Revenue of €3,370 million (+10% on a comparable basis and +11% on reported figures) and EBITDA of €606 million (+21%). The 2019 objectives were exceeded.<br>Announcement of objectives for 2020: Revenue: +4% to +6% and EBITDA in excess of €650 million, including €365 million in Retail business and €330 million in B&A business. €45 million in savings on corporate costs.<br>**Announcement of the acquisition of Ingenico by Worldline.** |

Two phases emerge from this observation period of the changes in the stock market price of Ingenico Shares:

- until February 2019, continued erosion of the security was disadvantaged by a downturn in the results for the 2018 financial year and a downward revision of Ingenico Group's objectives. These announcements resulted in a relative underperformance compared to the SBF 120;
- then, a continuous assessment of the price reflecting investor confidence in the "*Fit for Growth*" plan launched in February 2019 and improvement of the operational performance of Ingenico Group.

The table below summarizes the volume-weighted average price ("**VWAP**") as of January 31, 2020, the last listing before the Transaction was announced:

| Pre-announcement prices - INGENICO | |
|---|---|
| Period | € |
| Spot | 105.1 |
| 1-month VWAP | 101.5 |
| 2-month VWAP | 99.1 |
| 3-month VWAP | 98.3 |
| 6-month VWAP | 93.9 |
| 12-month VWAP | 80.2 |
| **12-month high** | **105.7** |
| **12-month low** | **47.0** |

According to the stock market analysis, Ingenico Shares moved within a range of **€47.0** to **€105.7** during the 12 months prior to announcement of the Transaction; this range reflects the transition between phases of profit warning and outperformance of the results achieved during the 2019 financial year.

For indicative purposes, over the long term, a maximum price of **€127.6**[108] was reached on a one-off basis on August 14, 2015.

The volume of securities traded during the 12 months preceding the announcement of the Transaction indicates the liquidity of the security, with a float turnover[109] of 127%:

| Float turnover – INGENICO | |
|---|---|
| | Jan. 31, 2020 |
| Number of securities traded (12 months) | 75,026,510 |
| Floating | 58,877,470 |
| **Float turnover (%)** | **127.4%** |
| **Float turnover (years)** | **0.8** |

*Source: Bloomberg*

For information purposes, the VWAPs after the Transaction was announced, calculated over the period from February 3, 2020 to June 26, 2020, exceed the Subsidiary Purchase Offer Price, which leaves open the possibility for Ingenico's shareholders wishing to transfer their securities to maximize their premium:

108 Closing price.

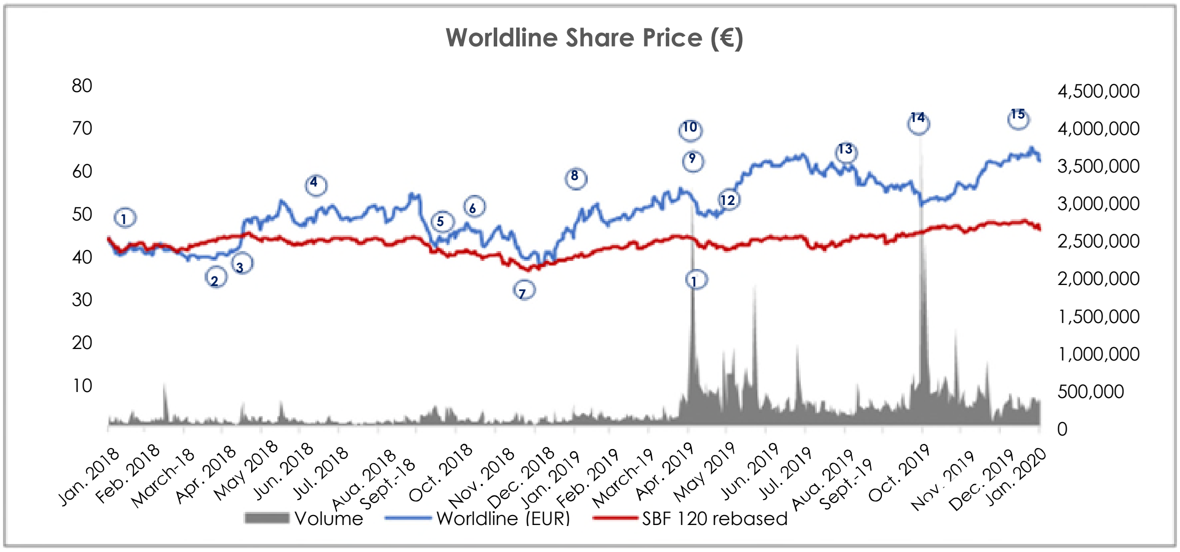
109 Turnover determined by dividing the number of traded shares by the number of shares in the float.

| Price - INGENICO | |
|---|---|
| As of June 26, 2020 | € |
| Spot | 140.6 |
| 1-month VWAP | 130.1 |
| 2-month VWAP | 125.5 |
| 3-months VWAP | 119.0 |
| VWAP since 01/31/2020 | 117.4 |
| **High since 01/31/2020** | **141.2** |
| **Low since 01/31/2020** | **67.6** |

### *4.3.1.2. Worldline*

Worldline Shares have been listed on the stock exchange since 2014 on sub-fund A of the Euronext Paris regulated market.

The changes in the stock market price[110] over the 24 months prior to January 31, 2020, the last listing before the Transaction was announced, compared to the SBF 120 rebased index, are set out below.




*Source: Bloomberg*

The main events within the Worldline Group in relation to the changes in the Worldline Share price during this observation period are identified below:

110 The daily prices selected were weighted by the trading volumes.

| No. | Date | Comments |
|---|---|---|
| 1 | 2/20/2018 | Publication of annual financial statements for 2017: Revenue of €1,594 million (+4%) and GOS of €335 million (+18%).<br>Announcement of an organic revenue growth objective of between 5% and 7% and a GOS margin of between 22% and 23%. |
| 2 | 4/25/2018 | Publication of quarterly financial statements for 2018: Revenue growth of 5% and objectives for 2018 confirmed. |
| 3 | 5/15/2018 | **Announcement of a strategic partnership between Worldline and SIX Payment Services.** |
| 4 | 7/23/2018 | Publication of half-yearly financial statements for 2018: Revenue of €819 million (+5.8%) and GOS of €179 million (+12.1%).<br>Announcement of a contract between Commerzbank and EquensWorldline forming a strategic partnership for the processing of non-card payment transactions.<br>**Confirmation of objectives for 2018.** |
| 5 | 10/23/2018 | Publication of Q3 revenue (+6.3%) and confirmation of objectives for 2018. |
| 6 | 11/30/2018 | Finalization of the acquisition of SIX Payment Services by Worldline: strengthening of its positions in the DACH zone (Germany, Austria, Switzerland) in the Merchant Services business. Anticipated synergies amount to €110 million. |
| 7 | 1/30/2019 | Revenue 2018 increased to €1,720 million (+6.2%) and GOS to €392 million (+11.2%).<br>New Plan for 2021: Organic revenue growth objective of between 7% and 8% and a pre-IFRS 16 GOS margin of between 23% and 24%, achieved by taking advantage of a leadership position in merchant services and financial services and anticipated synergies resulting from the merger with SIX Payment Services<br>**Atos announces its proposal to distribute 23.4% of Worldline's share capital to its shareholders.** |
| 8 | 2/20/2019 | Publication of annual financial statements for 2018: GOS growth of 11.2% to €391 million.<br>Rapid launch of consolidation and synergy programs with SIX Payment Services. |
| 9 | 4/24/2019 | Publication of quarterly financial statements for 2019: Revenue growth of 6.2% and confirmation of objectives for 2019.<br>Implementation of a commercial and industrial partnership between Atos and Worldline, focusing on four areas: sales, research and development, human resources and purchasing. |
| 10 | 5/3/2019 | Distribution of 23.5% of Atos's Worldline share capital to its shareholders; Worldline's free float increases from 21.5% to nearly 45% of its share capital. |
| 11 | 6/13/2019 | Strategic partnership with Nordic Finance Innovation (NFI), the largest network of Fintech executives in the Nordic countries. |
| 12 | 7/24/2019 | Publication of half-yearly financial statements for 2019: Revenue of €1,152 million (+6.5%) and GOS of €279 million (+20.4%).<br>Announcement of Worldline's exercise of its purchase option to acquire the 36.4% non-controlling interest in EquensWorldline. |
| 13 | 9/30/2019 | **Finalization of the acquisition of EquensWorldline.** |
| 14 | 10/31/2019 | Publication on the consequences of the disposal of a portion of Atos' interest and SIX Group AG's decision to enter into a "collar" transaction on its interest in Worldline. |
| 15 | 2/3/2020 | Preliminary publication of annual financial statements for 2019: Revenue of €2,382 million (+6.9%) and GOS of €602 million (+19%). Announcement of objectives for 2020: Revenue in excess of 7% and GOS margin between 26% and 27%.<br>**Announcement of the acquisition of Ingenico by Worldline.** |

The main changes in the stock market price of Worldline Shares during this observation period are characterized by:

- an outperformance of Worldline securities compared to the SBF 120 benchmark index under the cumulative effect of the publication of sharply increasing results and the active external growth policy conducted by Worldline Group;
- a significant increase in the price from the beginning of 2019 following the announcement by Atos Group to withdraw from Worldline's share capital.

The table below summarizes the volume-weighted average price as of January 31, 2020, the last listing before the Transaction was announced:

| Pre-announcement prices - WORLDLINE | |
|---|---|
| Period | € |
| Spot | 64.0 |
| 1-month VWAP | 65.2 |
| 2-month VWAP | 62.9 |
| 3-month VWAP | 59.2 |
| 6-month VWAP | 58.7 |
| 12-month VWAP | 57.9 |
| **12-month high** | **67.5** |
| **12-month low** | **48.6** |

The stock market analysis indicates that Worldline Shares have moved within a range of **€48.6** to **€67.5** during the 12 months prior to the announcement of the Transaction.

Moreover, the volumes of securities traded during the 12 months preceding the Transaction announcement account for approximately 99%[111] of the float, illustrating the liquidity of the security:

| Float turnover – WORLDLINE | |
|---|---|
| | Jan. 31, 2020 |
| Number of securities traded (12 months) | 97,825,473 |
| Floating | 97,091,020 |
| **Float turnover (%)** | **100.8%** |
| **Float turnover (years)** | **1.0** |

*Source: Bloomberg*

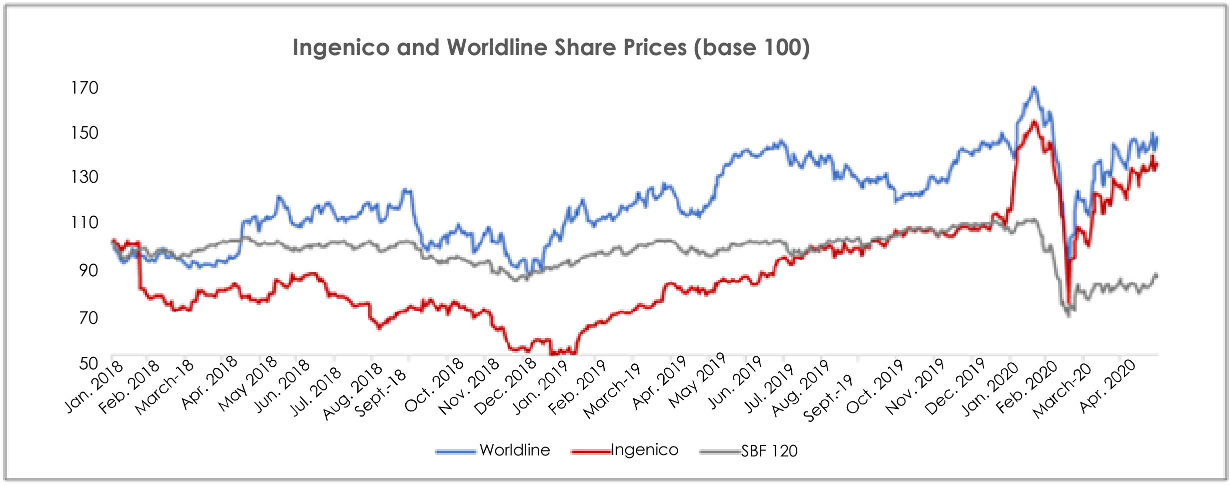
For information purposes, the VWAPs after the Transaction was announced, calculated over the period from February 3, 2020 to June 26, 2020, are shown below; they include the effects of the merger with Ingenico:

| Price - WORLDLINE | |
|---|---|
| As of June 26, 2020 | € |
| Spot | 75.8 |
| 1-month VWAP | 69.7 |
| 2-month VWAP | 67.4 |
| 3 -month VWAP | 64.9 |
| VWAP since 01/31/2020 | 63.5 |
| **High since 01/31/2020** | **76.8** |
| **Low since 01/31/2020** | **38.4** |

[111] Turnover determined by dividing the number of traded shares by the number of shares in the float.

#### 4.3.1.3. *Ingenico and Worldline*

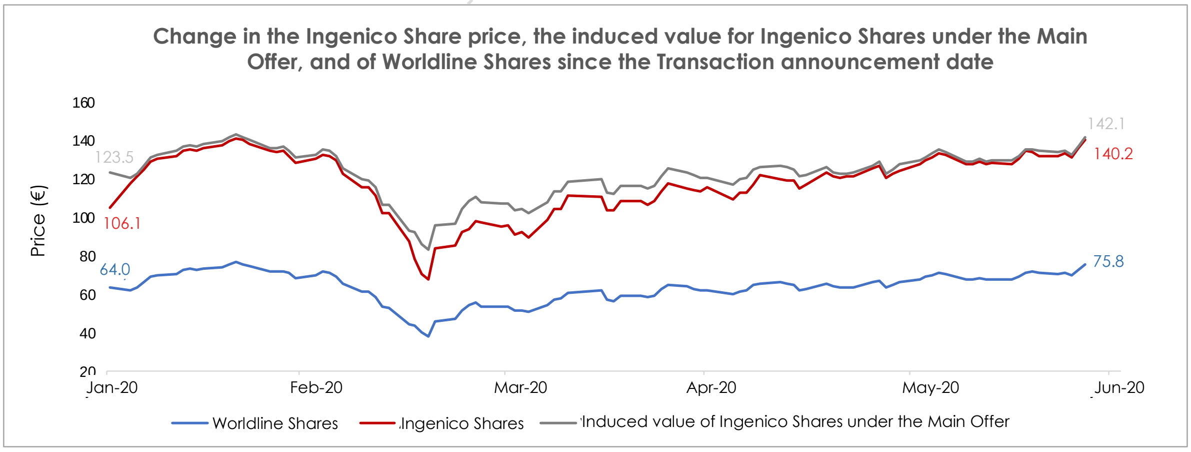
The graph below shows the comparative trend in the stock market price of Ingenico and Worldline securities compared to the SBF 120 rebased index:




*Source: Bloomberg*

Following the fall in the stock market price of Ingenico Shares over the period between February 2018 and January 2019, changes in the stock market prices of both securities followed the same upward trend, with a outperformance of Worldline securities compared to the benchmark index up to the Transaction announcement date.

Since the announcement of the Transaction, Ingenico Shares and Worldline Shares have moved in parallel within market conditions downgraded by the COVID-19 crisis:




*Source: Bloomberg, intraday spot price*

### 4.3.2. Price objectives

#### 4.3.2.1. *Ingenico*

Ingenico securities are regularly monitored by financial analysts. The latest price objectives and recommendations made during the three months preceding the announcement of the Transaction are as follows:

| Summary of INGENICO target prices as of 01/31/2020 | | | |
|---|---|---|---|
| Analysts | Date | Target price | Recommendation |
| Macquarie | 10/22/2019 | €92.6 | Buy |
| Citigroup | 10/23/2019 | €93.0 | Hold |
| Bryan Garnier & Co | 10/23/2019 | €101.0 | Buy |
| CIC Market Solutions | 10/23/2019 | €83.0 | Hold |
| Invest Securities | 10/23/2019 | €80.0 | Hold |
| Oddo BHF | 10/23/2019 | €90.0 | Hold |
| HSBC | 10/24/2019 | €95.0 | Hold |
| Goldman Sachs | 10/24/2019 | €107.0 | Buy |
| Société Générale | 10/25/2019 | €108.0 | Buy |
| Deutsche Bank | 10/29/2019 | €80.0 | Hold |
| UBS | 11/4/2019 | €108.0 | Buy |
| MainFirst Bank | 12/10/2019 | €100.0 | Buy |
| Morgan Stanley | 12/11/2019 | €103.0 | Buy |
| Equita SIM | 12/19/2019 | €108.0 | Buy |
| J.P. Morgan | 1/9/2020 | €102.0 | Hold |
| Barclays | 1/15/2020 | €110.0 | Buy |
| Berenberg | 1/21/2020 | €106.0 | Buy |
| AlphaValue/Baader Europe | 1/23/2020 | €110.0 | Buy |
| Exane BNP Paribas | 1/29/2020 | €85.0 | Sell |
| Kepler Cheuvreux | 1/30/2020 | €110.0 | Buy |
| **Median** | | **€101.5** | |
| **Average** | | **€98.6** | |

*Source: Bloomberg*

The average target price is **€98.6**, within a range that fluctuates between €80.0 and €110.0.

### 4.3.2.2. Worldline

Worldline securities are also regularly monitored by financial analysts. The latest price objectives and recommendations made during the three months preceding the announcement of the Transaction are as follows:

| Summary of WORLDLINE target prices as of 01/31/2020 | | | |
|---|---|---|---|
| Analysts | Date | Target price | Recommendation |
| UBS | 10/23/2019 | €62.0 | Hold |
| Citigroup | 10/24/2019 | €71.0 | Buy |
| Credit Suisse | 10/24/2019 | €48.0 | Sell |
| Bryan Garnier & Co | 10/24/2019 | €65.0 | Buy |
| CIC Market Solutions | 10/24/2019 | €46.0 | Sell |
| Deutsche Bank | 10/29/2019 | €75.0 | Buy |
| Oddo BHF | 10/31/2019 | €77.0 | Buy |
| Invest Securities | 10/31/2019 | €70.0 | Buy |
| HSBC | 11/11/2019 | €55.0 | Insider |
| J.P. Morgan | 11/26/2019 | €74.0 | Buy |
| Equita SIM | 11/29/2019 | €60.0 | Hold |
| Morgan Stanley | 12/1/2019 | €52.0 | Buy |
| MainFirst Bank | 12/11/2019 | €60.0 | Hold |
| Société Générale | 12/20/2019 | €68.0 | Hold |
| Barclays | 1/15/2020 | €66.0 | Hold |
| Kepler Cheuvreux | 1/20/2020 | €62.0 | Hold |
| Berenberg | 1/21/2020 | €70.0 | Buy |
| Guggenheim Securities | 1/21/2020 | €72.0 | Buy |
| Goldman Sachs | 1/24/2020 | €89.0 | Buy |
| Exane BNP Paribas | 1/29/2020 | €77.0 | Buy |
| **Median** | | **€67.0** | |
| **Average** | | **€66.0** | |

*Source: Bloomberg*

The average target price is **€66.0**, within a range that fluctuates between €46.0 and €89.0.

## 4.4. Intrinsic valuation by discounted cash flow on the Transaction announcement date

### 4.4.1. Reminder of the principles of the DCF method

The discounted cash flow (**DCF**) method is based on an estimation of the value of the financial assets of a company based on the available operating cash flows generated by its business, which are discounted at a rate corresponding to the yield requirement expected by those contributing resources.

The calculation of the terminal value, estimated beyond the explicit forecasting period, is based on an estimation of a sustainable free cash flow and thus takes into account an assumption of it continuing as a going concern and with long-term growth (perpetual growth).

In order to obtain the market value of shareholders' equity, net financial debt is deducted from the value of operational business activities (enterprise value).

- For Ingenico, our work relied upon:
  - Ingenico Management's Business Plan in the 2022 timeframe;

- a business plan modeled on the basis of the consensus before announcement of the Transaction in the 2024 timeframe.

- For Worldline, cash flow forecasts in the 2023 timeframe are based on the consensus of analysts, corroborated by the guidance communicated to the market by Worldline in the 2021 timeframe, since Worldline Management has not agreed to give us access to its internal forecasts. The references selected are those before the Transaction was announced.

### 4.4.2. Discount rate

The cost of shareholders' equity was estimated using the Cost of Capital (CoC) method; the discount rate is thus determined directly from the beta of the financial assets of an unindebted company.

#### *4.4.2.1. Ingenico*

In order to take into account Ingenico Group's two main business units, the Group discount rate was determined from a weighting based on the current[112] respective weighting of B&A and Retail activities:

- for the B&A business, the discount rate was calculated using an unindebted average *beta* of **1.09**[113], determined from a sample of comparable listed companies operating in the payment machines sector;[114]

- for the Retail business, the discount rate was calculated using an unindebted average *beta* of **0.82**[115], determined from a sample of comparable listed companies operating in the payment services sector[116].

The other items used in determining the discount rate are as follows:

- a risk-free rate of 0.1%, corresponding to the 12-month historical average of 10-year Fungible Treasury Bonds (10-year OATs)[117];

- a French market risk premium estimated at 7.6%[118] as of January 31, 2020.

According to these parameters, the discount rate was **7.7%** as of January 31, 2020:

[112] In terms of operational profitability.
[113] Five-year *beta* (source: Bloomberg).
[114] The sample includes comparable companies NCR Corporation and Diebold Nixdorf (§ 4.5.1.1).
[115] Five-year *beta* (source: Bloomberg).
[116] The sample includes Fidelity National Information Services, Fiserv and Global Payments. Given the recent IPOs of Nexi and EVO Payments, we have excluded them from our sample (§ 4.5.1.2).
[117] Source: Banque de France.
[118] On the basis of an expected return on the French market estimated at 7.7% (source: Ledouble, January 2020), which, subject to deduction of the risk-free rate of 0.1%, leads to a risk premium of 7.6%.

| Discount rate – INGENICO | | |
|---|---|---|
| **As of 01/31/2020** | **B&A** | **Retail** |
| Risk-free rate | 0.1% | 0.1% |
| Beta of economic assets | 1.09 | 0.82 |
| Risk premium | 7.6% | 7.6% |
| Specific premium | | |
| ***Discount rate*** | ***8.4%*** | ***6.4%*** |
| Weighting | 69% | 31% |
| **Group discount rate** | **7.7%** | |

### 4.4.2.2. Worldline

The discount rate is broken down as follows:

- a risk-free rate of 0.1%, corresponding to the 12-month historical average of 10-year Fungible Treasury Bonds (10-year OATs)[119];
- an unindebted beta[120] of comparable companies operating in the Retail business unit, i.e., 0.82 (§ 4.4.2.1);
- a French market risk premium estimated at 7.6%[121] as of January 31, 2020;
- a specific risk premium of 1% with regard to Worldline's ability to deliver, cumulatively and simultaneously, a sustained improvement in profitability combined with strong external business growth up until 2030.[122]

According to these parameters, the discount rate was **7.4%** as of January 31, 2020:

| Discount rate – WORLDLINE | |
|---|---|
| **As of 01/31/2020** | |
| Risk-free rate | 0.1% |
| Beta of economic assets | 0.82 |
| Risk premium | 7.6% |
| Specific premium | 1.0% |
| **Discount rate** | **7.4%** |

## 4.4.3. Perpetual growth rate

The terminal value was determined by building on an infinity growth rate (perpetual growth rate) for Ingenico and Worldline in relation to:

- the long-term inflation forecasts[123] of the main geographical areas in which the two groups are located; and

[119] Source: Banque de France.
[120] Five-year weekly beta.
[121] On the basis of an expected return on the French market estimated at 7.7% (source: Ledouble, January 2020), which, subject to deduction of the risk-free rate of 0.1%, leads to a risk premium of 7.6%.
[122] Extrapolation Period timeline (§ 4.4.5).
[123] Source: IMF, October 2019.

- the nature of the business activities of the two groups.

Concerning the discount rate at January 31, 2020 (§ 4.4.2.1 and § 4.4.2.2), the perpetual growth rates used for Ingenico and Worldline were **2.3%** and **2.0%** respectively.

### 4.4.4. Ingenico Business Plans and valuation of the Ingenico Share with DCF

#### *4.4.4.1. Ingenico Management's Business Plan*

Ingenico Management's Business Plan extends over the forecast period between 2020 and 2022 (the "**Explicit Period**") and differentiates B&A and Retail business activities, which present different characteristics in terms of business, development, profitability and growth.

The share of income and cash flows accruing to the non-controlling shareholders of Payone has been restated[124] directly in Ingenico Management's Business Plan.

Ingenico Management's Business Plan over the Explicit Period is underpinned by the following assumptions:

- an average annual growth in net Group revenue over the years 2021 to 2022 of between 5% and 6%, which is broken down between:
  - a slight decrease in revenue for the B&A business over the next three years due to the model evolving towards a strengthening of recurring services and a shift in mature markets from an initial market to a renewal market;
  - an annual increase in net revenue for the Retail business of 11% to 12% in the 2021 and 2022 timeframe, justified by the provision of new services (Online range) and the continuation of international expansion, as well as the synergies resulting from the external growth transactions already conducted;
- an EBITDA level, both in value and in proportion to net revenue, in the order of 23%, increasing compared to its history (20.9% in 2019) owing to the growth of Retail revenue and the control of operational costs in line with market expectations;
- significant investments, in the order of 4.5% of revenue, impacted by Ingenico Group's development and application of the IFRS 16 standard.

Ingenico Management's Business Plan, prepared before the 2020 health crisis, is underpinned by growth prospects for the online business in line with our market analysis (§ 3.1). Nevertheless, sustained growth coupled with an improvement in profitability stems from proactive assumptions.

[124] Payone's cash flows were used in the Business Plan in proportion to the share of capital held by Ingenico, i.e., 48%.

AT the end of our discussions with Ingenico's Management, we extrapolated its Business Plan up until 2029 (the "**Extrapolation Period**") in order to achieve a normalized cash flow for calculating the terminal value.

The assumptions underlying this extrapolation are as follows:

- a convergence of the revenue growth rate to a normative level of 2.3% corresponding to the perpetual growth rate (§ 4.4.3);
- an online long-term EBITDA margin rate with the levels recorded over the Explicit Period;
- investments representing 4% of revenue, in line with the historical average[125];
- zero variation in WCR over the entire Extrapolation Period.

We set out below a sensitivity analysis of the enterprise value of Ingenico Shares, to cross-variations of the discount rate and the perpetual growth rate (in €).

| **Sensitivity table – INGENICO** | | | | | |
|---|---|---|---|---|---|
| **g** | | | **Discount rate** | | |
| | **7.2%** | **7.5%** | **7.7%** | **8.0%** | **8.2%** |
| **1.8%** | 112.3 | 106.4 | 101.0 | 96.0 | 91.4 |
| **2.0%** | 117.0 | 110.6 | 104.7 | **99.4** | 94.4 |
| **2.3%** | 122.2 | 115.2 | **108.9** | 103.1 | 97.8 |
| **2.5%** | 128.0 | **120.3** | 113.4 | 107.1 | 101.4 |
| **2.8%** | 134.4 | 126.0 | 118.4 | 111.6 | 105.4 |

This sensitivity analysis puts the value of Ingenico Shares at between **€99.4** and **€120.3**.

#### *4.4.4.2. Business Plan modeled on the basis of consensus*

For the sake of consistency with the intrinsic valuation of Worldline (§ 4.4.5) based solely on public data, in the absence of access to internal data (§ 4.4.1), we have reconstructed a business plan based on the forecasts of financial analysts responsible for monitoring Ingenico Shares (the "**Ingenico Consensus**").

Prior to our analysis, we examined all ratings of the financial analysts forming the consensus. We then drew up the Ingenico Consensus based on analysts' ratings, which publish all the aggregates useful for modeling cash flows[126]. We also ensured that the aggregates resulting from this sample were in line with those of a consensus[127] covering all analysts responsible for monitoring Ingenico securities.

[125] Over the period 2017-2019.
[126] Bryan Garnier & Co, Equita SIM SpA, Exane BNP Paribas, Goldman Sachs, Invest Securities SA, JP Morgan, Kepler Cheuvreux, MainFirst Bank AG, Oddo BHF, Société Générale and UBS (§ 4.3.2.1).
[127] Source: Bloomberg.

This work was carried out using the analysts' ratings identified before the Transaction was announced.

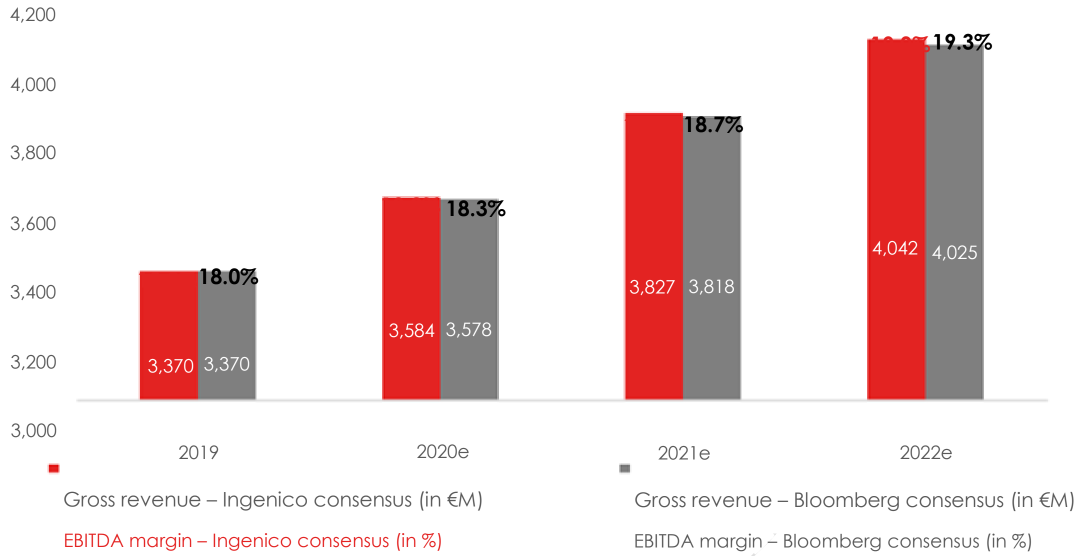
The Ingenico Consensus Business Plan[128] was therefore constructed up to 2024 ("**Explicit Period**") and then extended by six years from 2025[129] to 2030 ("**Extrapolation Period**"); the forecasts for the Extrapolation Period in relation to the market outlook were discussed with Ingenico Management.

The following comments can be made about the Ingenico Consensus Business Plan and the valuation of the resulting Ingenico Shares:

- The Explicit Period reflects the assumptions underlying the Ingenico Consensus forecasts, which are consistent with the information provided by Ingenico to the market:
  - an annual growth in gross revenue of between 5.5% and 7%, driven by Retail Activity;
  - an increase in the EBITDA margin of more than two basis points[130], reflecting the effect of synergies, following in particular the acquisition of BS Payone (§ 3.2.1 and § 3.2.2);
  - relative stability of investments, at an annual level of less than 4% of revenue.
- The business and profitability forecasts resulting from the Ingenico Consensus, on the one hand, and those of the Bloomberg[131] consensus, on the other hand, as of January 31, 2020 are presented below:

[128] The share of flows corresponding to Payone's minority interests has been removed from the Ingenico Consensus Business Plan.
[129] Over the Extrapolation Period, the Consensus is limited to three references (versus 11 references over the Explicit Period), making forecasts more difficult to use than over the Explicit Period.
[130] Compared to the EBITDA margin rate for the 2019 financial year.
[131] Without any specific restatement on our part.

**Comparison of changes in Ingenico aggregates (Ingenico consensus vs. Bloomberg consensus)**




- On the date of announcement of the Transaction, there was no analyst consensus published for forecasts of net revenue; for information, the consensus on EBITDA compared to net revenue over the years 2020-2022 would be between 21.4% and 22.7%[132].

- The assumptions underlying the Extrapolation Period are as follows:

  - a convergence of the gross revenue growth rate towards a normative level of 2% corresponding to the perpetual growth rate[133];

  - a long-term EBITDA margin rate comparable to that expected at the end of the Explicit Period (2024), which represents a historically high level; and

  - annual investments equal on average to 4% of revenue, converging towards allocations for amortization and impairment.

- The discount rate and average growth rate used by analysts are 8.2% and 2.3% respectively. As a reminder, our work resulted in a discount rate of 7.7% (§ 4.4.2.1) and a perpetual growth rate of 2.3% (§ 4.4.3).

- The terminal value at the end of the Extrapolation Period results from:

  - capitalization at the discount rate, minus the perpetual growth rate, taxed operating cash flow considered to be recurring after a very sustained period of growth;

  - discounting of the terminal value thus obtained.

- The sensitivity of the value of Ingenico Shares to cross-variations in the discount rate and the perpetual growth rate is as follows (in €):

---

[132] Source: Ingenico Management.
[133] Average analyst rate.

| **Sensitivity table – INGENICO** | | | | | |
|---|---|---|---|---|---|
| **g** | **Discount rate** | | | | |
| | **7.5%** | **7.7%** | **8.0%** | **8.2%** | **8.5%** |
| **1.6%** | 96.1 | 93.1 | 90.2 | 87.5 | 85.0 |
| **1.8%** | 100.2 | 96.9 | 93.8 | **90.8** | 88.1 |
| **2.1%** | 104.7 | 101.0 | **97.6** | 94.4 | 91.4 |
| **2.3%** | 109.7 | **105.6** | 101.8 | 98.3 | 95.1 |
| **2.6%** | 115.1 | **110.6** | 106.4 | 102.6 | 99.0 |
| **2.8%** | 121.2 | 116.1 | 111.5 | 107.2 | 103.3 |

- This sensitivity analysis puts the value of Ingenico Shares at between **€90.8** and **€105.6**,[134] which is at the top of the range of the target price values as of January 31, 2020, ranging between €80.0 and €110.0 (§ 4.3.2.1).

## 4.4.5. Worldline Business Plans and valuation of the Worldline Share with DCF

We have not received a business plan from Worldline Management (§ 4.4.1).

A methodology identical to that mentioned previously (§ 4.4.4.2), consisting of business plan modeling based on consensus, was conducted for Worldline.

We have thus reconstructed a business plan based on the forecasts of financial analysts responsible for monitoring Worldline Shares[135], which publish all the aggregates useful for modeling cash flows[136] (the "**Worldline Consensus**").

The Worldline Consensus Business Plan was therefore constructed up to 2023 ("**Explicit Period**") and then extended by seven years from 2024[137] to 2030 ("**Extrapolation Period**"); the forecasts for the Extrapolation Period were discussed with Worldline Management.

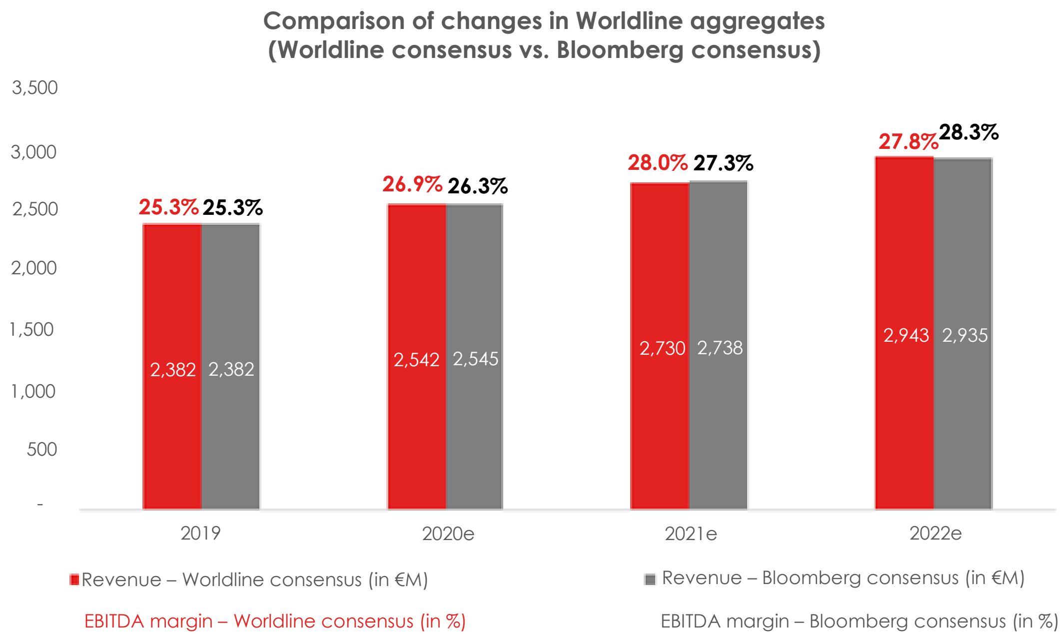
The following comments can be made about the modeling of the Worldline Consensus Business Plan and valuation of the resulting Worldline Shares:

- The Explicit Period reflects the assumptions underlying the Worldline Consensus forecasts, which are consistent with the information provided by Worldline to the market:
  - an annual growth in revenue of between 7% and 8%;

[134] The upper bound reflects the application of the discount rate of 7.7% which we calculated in relation to the Ingenico Consensus Business Plan. The lower bound reflects the application of the mean discount rate of 8.2% adopted by the analysts. As pertains to the growth rate, the sensitivity relates to a 0.5-point drop in relation to the perpetual growth rate of 2.3%, which is used in both the Ledouble and the analysts' projections.
[135] The Worldline Consensus Business Plan includes a year of forecasts in the absence of sufficient forecasts for 2024.
[136] Bank of America, Berenberg, Crédit Suisse, Exane BNP Paribas, JP Morgan, MainFirst Bank AG, Morgan Stanley, Société Générale and UBS.
[137] Over the Extrapolation Period, the Consensus is limited to three references (versus four to nine references over the Explicit Period), making forecasts more difficult to use than over the Explicit Period.

- a gross operating surplus margin increasing from almost 24% to more than 27% of revenue, supported by the synergy and integration plans previously implemented;
- investments maintained at their historical level, i.e., 5.4% of revenue.

The business and profitability forecasts resulting from the Worldline Consensus and those of the Bloomberg consensus[138] as of January 31, 2020 are as follows:




- The assumptions underlying the Extrapolation Period are as follows:
  - a convergence of the revenue growth rate to a normative level of 3%[139];
  - an EBITDA margin rate estimated by analysts at 30% of the long-term revenue, in line with the forecasts observed in the consensus of financial analysts covering the security beyond 2023; this rate is deemed to be consistent by Worldline Management.
- The terminal value at the end of the Extrapolation Period was determined using the same methodology as that used for Ingenico Group (§ 4.4.4.2).
- The discount rate and average growth rate used by analysts are 7.9% and 3.0% respectively. As a reminder, our work resulted in a discount rate of 7.4% (§ 4.4.2.2) and a perpetual growth rate of 2% (§ 4.4.3).

[138] Without any specific restatement on our part.
[139] Median rate of analysts.

- The sensitivity of the value of Worldline Shares to cross-variations in the discount rate and the perpetual growth rate is as follows (in €):

| Sensitivity table – WORLDLINE | | | | | |
|---|---|---|---|---|---|
| g | Discount rate | | | | |
| | 7.1% | 7.4% | 7.6% | 7.9% | 8.1% |
| **1.5%** | 62.8 | 59.7 | 56.9 | 54.3 | 51.9 |
| **1.8%** | 65.3 | 61.9 | 58.9 | 56.1 | 53.6 |
| **2.0%** | 68.0 | 64.4 | 61.1 | **58.1** | 55.4 |
| **2.3%** | 71.0 | 67.1 | **63.5** | 60.3 | 57.4 |
| **2.5%** | 74.3 | **70.1** | 66.2 | 62.7 | 59.5 |
| **2.8%** | 78.1 | 73.3 | 69.1 | 65.3 | 61.9 |

- This sensitivity analysis puts the intrinsic value of Worldline Shares between **€58.1** and **€70.1**.[140]

- For information purposes, the valuation range for Worldline Shares emanating from the consensus of financial analysts prior to the announcement of the Transaction is between €46.0 and €89.0, with an average value of €66.0 (§ 4.3.2.2).

## 4.5. Analogical valuation by comparable companies as of the Transaction announcement date

In this chapter, we expand upon the valuation of Ingenico Shares and Worldline Shares by reference to the profitability multiples derived from a panel of comparable listed companies.

### 4.5.1. Sample composition and comparable stock market companies

To our knowledge, there are no listed companies strictly comparable to Ingenico and Worldline that have absolutely identical characteristics in terms of business, size, operating margin rate and area in which they operate. However, we have sought, for both groups, comparable stock market companies with similar features in terms of business, profitability and financial model:

- given the diversity of business activities carried out by Ingenico Group, we have created two samples of separate listed companies to value, on the one hand, the B&A business unit and, on the other hand, the Retail business unit;

- considering the criteria of business sector, margin rate and growth outlook, we have used, for Worldline Group, the sample of comparable companies in the Retail business unit of Ingenico Group.

[140] The upper bound reflects the application of the discount rate of 7.4% which we calculated in relation to the Ingenico Consensus Business Plan. The lower bound reflects the application of the mean discount rate of 7.9% adopted by the analysts. The sensitivity compared to the 2.0% perpetual growth rate we determined relates to a 0.5-point increment to move toward the 3% growth expected by analysts. In our sensitivity study, we did not use this 3% growth rate since we had already reflected Worldline's growth in the Extrapolation Period. The analysts accounted for this growth by increasing the growth rate. For reference, had we used the analysts' evaluation metrics listed above, the value of the Worldline Shares would have been €67.5.

The detailed presentation of these two samples is shown in **Annex 8** and in **Annex 9**.

#### *4.5.1.1. B&A*

Our panel for the B&A business unit comprises listed companies operating in the payment machines sector displaying a growth potential comparable to that of the B&A segment of Ingenico Group.

Two companies, NCR Corporation and Diebold Nixdorf, comprising our panel of comparable listed companies for the B&A business, meet these criteria:

| Comparable listed companies – B&A | | |
|---|---|---|
| **In local currency** | **Country** | **Market Cap. 1 month** |
| NCR Corporation | U.S. | 4,438 |
| Diebold Nixdorf, Inc. | U.S. | 873 |

*Source: Bloomberg*

Two Chinese companies (Newland Digital Technology and XGD) and one Hong Kong-based company (PAX Global Technology), although they can be compared to Ingenico in terms of business activity[141], were not selected owing to their high growth potential associated with low margin levels.

#### *4.5.1.2. Retail*

A significant number of players operate in the global payment services sector.

Our selection of comparables for the Retail business unit was based on business sector and growth outlook criteria and concerns US and European listed companies operating in processing and acquisition payment services.

In the light of these criteria, our sample of comparable stock exchange companies for the Retail business unit is as follows:

| Comparable listed companies – Retail | | |
|---|---|---|
| **In local currency** | **Country** | **Market Cap. 1 month** |
| Fidelity National Information Services, Inc. | U.S. | 88,596 |
| Fiserv, Inc. | U.S. | 80,768 |
| Global payments Inc. | U.S. | 58,168 |
| Nexi S.p.A. | Italy | 7,942 |
| EVO payments, Inc. | U.S. | 2,278 |

*Source: Bloomberg*

[141] Production and sale of payment terminals.

TSYS, Worldpay and First Data were not selected in our panel owing to their recent acquisition[142].

### 4.5.2. Method for calculating the gross operating surplus multiple (EBITDA) by reference to the enterprise value (EV)

We have removed the multiples of:

- revenue, as we do not consider it appropriate to value Ingenico Group and Worldline Group solely on the basis of the volume of business without taking into account the operational profitability;
- EBIT, due to the low capital intensity of the sector and the inclusion in this aggregate of non-recurring charges linked to external growth policies;
- profit for the period, as price-earning ratios (PER) lead to biased estimates owing to differences in financial structure and the different tax rates of comparable foreign entities.

We therefore favored median multiples of EV/EBITDA 2020 and 2021 associated with net financial debt as of December 31, 2019 (§ 4.1.5.1 and § 4.1.5.2).

Since no EBITDA forecasts where communicated in the guidance to the market by Worldline Group[143], we have selected the aggregates derived from the Worldline Consensus Business Plan (§ 4.4.5).

For the record, IFRS 16 provides for the reclassification of leasing expenses outside EBITDA, in terms of depreciation and financial interest, in return for the creation on the balance sheet of an asset (right-of-use asset) and a liability relating to leasing agreements (lease liability). The ASC 842 standard (equivalent to IFRS 16 for US companies) also provides for the creation on the balance sheet of an asset and a liability relating to leasing agreements, without however reclassifying leasing expenses outside EBITDA.

Given their recurring and normative nature, and in order to refine the valuation, we have chosen to take leasing agreements into account within EBITDA[144].

In order to reflect valuation multiples restated for the impacts of the IFRS 16 standard for European companies and the ASC 842 standard for US companies, we have made the following adjustments:

- for European companies, we have:
  - restated EBITDA in order to achieve an aggregate including leasing expenses; and
  - offset the leasing debts from net financial debt;

[142] Companies acquired by Global Payments (May 2019), FIS (March 2019) and Fiserv (January 2019) respectively, see **Annex 10**.
[143] As a reminder, we have not received a business plan drawn up by Worldline Management (§ 4.4.1).
[144] Leasing debts recorded on the balance sheet are only activated for a limited number of years (generally between three and five years).

- for US companies, we have only restated the leasing debts of the net financial debt, as leasing expenses are already taken into account in EBITDA.

To determine the EV/EBITDA ratios for each of the comparable companies, we have selected:

- their one-month average market capitalization before the announcement of the Transaction[145]; net financial debt (or, where applicable, net financial cash) lies between the market capitalization and the enterprise value from which the multiples are determined;

- EBITDA estimates, across the panel as a whole, arising from the analysts' consensus[146].

In order to express the maximum value, we have not taken into account in our work any possible size discount that might be applicable, with regard to a selection of comparables that are mostly larger in size than Ingenico Group and Worldline Group.

The relatively homogeneous multiples, resulting from the samples described above, are as follows:

- B&A

| **B&A stock market multiples excluding IFRS 16** | | |
|---|---|---|
| Companies | **EV/EBITDA 2020e** | **EV/EBITDA 2021e** |
| NCR Corporation | 7.3x | 7.1x |
| Diebold Nixdorf Inc. | 6.2x | 5.6x |
| **Median** | **6.8x** | **6.4x** |
| **Average** | **6.8x** | **6.4x** |

*Source: Bloomberg*

- Retail

| **Retail stock market multiples excluding IFRS 16** | | |
|---|---|---|
| Companies | **EV/EBITDA 2020e** | **EV/EBITDA 2021e** |
| Fidelity National Information Services, Inc. | 17.9x | 15.8x |
| Fiserv, Inc. | 17.9x | 16.3x |
| Global payments Inc. | 18.8x | 16.5x |
| Nexi S.p.A. | 16.3x | 14.1x |
| EVO Payments, Inc. | 19.5x | 17.5x |
| **Median** | **17.9x** | **16.3x** |
| **Average** | **18.1x** | **16.0x** |

*Source: Bloomberg*

145 As of January 31, 2020.
146 Bloomberg Consensus.

### 4.5.3. Summary of valuation by stock market comparables

#### *4.5.3.1. Ingenico*

By applying the median multiples from Ingenico Management's Business Plan to the 2020 and 2021 forecast aggregates of B&A and Retail business activities respectively, and subject to deduction of the net financial debt of €1,301m (§ 4.1.5.1), the value of Ingenico Shares is within a range of **€89.5** to **€92.1.**

#### *4.5.3.2. Worldline*

By applying the median multiples to the forecast aggregates of the Consensus Worldline Business Plan for 2020 and 2021 and subject to deduction of the net financial debt of €487m (§ 4.1.5.2), the value of Worldline Shares is within a range of **€60.2** to **€61.8.**

## 4.6. Analogical valuation by comparable transactions

In this chapter, we present the valuation of Ingenico and Worldline securities by reference to recent transactions in the sector.

We have applied a method similar to that developed in the valuation by stock market multiples (§ 4.5.1) by creating[147]:

- for Ingenico, two transaction samples, one for the B&A business unit and the other for the Retail business unit;
- for Worldline, a single transaction sample, corresponding to that of the Retail business unit for Ingenico.

We have selected the EV/EBITDA multiple calculated from the EBITDA of the 12 months following the transaction[148] for the B&A[149] business and historical data[150] for the Retail business.

The reference aggregates of Ingenico Group and Worldline Group were determined before and after the impact of the IFRS 16 standard, which had not yet been applied in older transactions[151] (§ 4.5.2).

### 4.6.1. B&A

For the B&A business unit, we have identified two major external transactions that occurred in the terminals and payment machines sector, presented in Annex 10.

Within this sample:

- the acquisition of Verifone Systems by Francisco Partners is reflected by high valuation multiples linked to sustained growth prospects[152], particularly in terms of EBITDA; in any event, this multiple does not seem relevant to us;
- the multiple brought about by the transaction initiated by Diebold on the company specializing in the manufacture of banking machines and cash registers, Wincor Nixdorf, is in line with those of the stock market multiples of comparable companies (§ 4.5.2).

In order to express the maximum value, we have nevertheless taken into account the Verifone Systems transaction and have determined the theoretical market value of Ingenico Shares for an investor, by applying the median EBITDA multiple of 8.6x**.**

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[147] Source: Mergermarket.
[148] Next Twelve Months (NTM).
[149] In order to smooth the strong growth in EBITDA recorded for Verifone Systems at the time of the transaction (§ 4.6.1). Furthermore, the NTM multiple for this transaction is mainly used by analysts.
[150] Last Twelve Months (LTM).
[151] The IFRS 16 standard on leasing agreements, which replaced the IAS 17 standard, is mandatory for financial years beginning after January 1, 2019.
[152] Particularly in the "Services" business, which offers a range of services with high added value.

### 4.6.2. Retail

For the Retail business unit, we recorded a high number of comparable transactions, supported by the consolidation movement observed in the payment services sector, presented in **Annex 10**.

We have set aside the majority shareholding of the US investment fund KKR in the German company Heidelpay[153], specialized in payment services for merchants owing to the diversity of available information concerning this transaction; its exclusion from the panel is unlikely to call into question the results obtained.

The median EBITDA multiple of the sample results in **19.1x**.

### 4.6.3. Summary of valuation by comparable transactions

By applying the median multiples to the 2019 historical aggregate for the Retail business unit and 2020 forecasting for the B&A business unit and deducting net financial debt (§ 4.1.5.1), the value of Ingenico Shares is between **€93.2** and **€98.0.**

By applying the median multiples to the 2019 historical aggregate and deducting net financial debt (§ 4.1.5.2), the value of Worldline Shares is between **€55.9** and €59.0**.**

## 4.7. Adjusted Net Asset Value

As Ingenico Group has historically expanded through organic growth and external growth, the net assets ("**ANC**")[154] cannot be used as a benchmark for valuing Ingenico Shares.

The Restated Net Asset Value ("**RNAV**") method would be to adjust the net assets of unrealized gains or losses identified. As a result of Ingenico Group's business, and in the absence of non-operating assets, this revaluation would be based on discounting forecast cash flows, a valuation method that we have also implemented (§ 4.4).

However, by way of a cross-check, we have estimated Ingenico Group's adjusted net assets (the "**Adjusted Net Asset Value**") representing its assets by determining the fair value of the Group's identifiable assets.

In considering the assets of Ingenico Group, intangible assets may conceal unrealized capital gains[155] compared to their net book value as set out in the consolidated financial statements as of December 31, 2019 (§ 3.2.3.2):

- customer relationships (§ 4.7.1);
- brands including the Ingenico brand (§ 4.7.2);
- technologies developed internally or acquired (§ 4.7.2).

[153] Transaction occurred in August 2019.
[154] Equity attributable to shareholders coming out of Ingenico Group's IFRS consolidated financial statements as of December 31, 2019.
[155] Net of income tax.

Our analyses are based in part on the *Purchase Price Allocation* ("**PPA**") work carried out as part of the acquisitions of Bambora and Paymark (§ 3.2.2).

In all of our analyses, we have used assumptions that express a maximum value for each revalued asset.

### 4.7.1. Revaluation of customer relationships

Ingenico Group's customer relationships have been revalued by applying the excess earnings method[156].

We have mainly selected the following parameters:

- at the end of a three-year period, an attrition rate for the current customer portfolio is 5% per annum, which we have applied to the forecast revenue derived from Ingenico Management's Business Plan[157];
- an EBITDA margin rate equal to that of Ingenico Management's Business Plan;
- a charge on the contributory assets representing approximately 2%[158] of revenue;
- a discount rate of 7.7% corresponding to that used in the intrinsic valuation (§ 4.4.2.1).

### 4.7.2. Brand and technology revaluation

In order to value the brand name and technologies of Ingenico Group, we favored the relief from royalty method of determining the current value of royalty flows that might be received by the owner of these intangible assets via the implementation of license concession agreements under market conditions.

This method requires an estimate of the royalty rate that could be negotiated as part of a free and informed transaction between two independent third parties, taking particular account of the characteristics of the Ingenico brand and the technologies used or developed by Ingenico Group, as well as the profit expected by the operator of these licenses, which determines the level of royalties that the latter will be prepared to repay to the owner of the intangible assets.

To revalue these intangible assets, we have used:

- the forecast revenue derived from Ingenico Management's Business Plan[159];
- a royalty rate of 2.5% for the Ingenico brand and 10% for the technologies corresponding to the averages of the PPA work carried out on Bambora and Paymark;

[156] The value of customer relationships is therefore estimated by discounting the excess earnings attributable solely to the holding of its customer portfolio.
[157] Net of the share of revenue attributable to non-controlling shareholders of Payone.
[158] Compensation of the assets required to operate the customer portfolio.
[159] Removed from the share of revenue attributable to non-controlling shareholders of Payone.

- maintenance costs of 1% for technologies;
- a discount rate of 7.7% corresponding to that used in the intrinsic valuation (§ 4.4.2.1).

### 4.7.3. Conclusion

In order to reach the Adjusted Net Asset Value based on the equity attributable to Ingenico shareholders at December 31, 2019 (§ 3.2.3.2), we:

- offset the net carrying amount of intangible assets and goodwill[160] that appear in Ingenico Group's balance sheet;
- added the value of intangible assets (customer relations, technologies) subject to the deduction of the 25.8% income tax that would have to be paid if they were sold ;
- added the current value of tax loss carryforwards[161].

The Adjusted Net Asset Value per Share amounts to **€50.5**, which lags behind the results of other valuation methods:

| Financial method – INGENICO | |
|---|---|
| €m | |
| **NAV of equity, Ingenico Group share as of December 31, 2019** | **2,238** |
| Goodwill | (2,800) |
| Revaluation of customer relationships net of tax | 1,614 |
| Valuation of trademarks net of tax | 381 |
| Revaluation of technologies net of tax | 1,737 |
| Losses carried forward | 21 |
| **Adjusted Net Asset Value** | **3,190** |
| Number of Ingenico shares (M) | 63.2 |
| **Adjusted Net Asset Value per share** | **€50.5** |

[160] This is an intangible asset that is not identifiable and is individually transferable.
[161] For the non-recognized part of Ingenico Group's balance sheet as of December 31, 2019.

## 4.8. Multi-criteria valuation after taking the health crisis into account

As mentioned above (§ 4.1.2), a multi-criteria valuation was also carried out by integrating the effects of the health crisis linked to COVID-19.

### 4.8.1. General information and limits

On the Transaction announcement date, by reference to the stock prices and to analysts' price objectives and comparable transactions, the valuations were conducted using data that did not take into account the effects of the merger between Ingenico and Worldline, nor the historical data; this has not been updated on the date of preparing the Report.

Intrinsic and analogical valuations based on short- and long-term forecasts are impacted by the health crisis, which is now downgrading the business and profitability prospects of both groups for the 2020 financial year.

#### *4.8.1.1. Anticipation of the impact of the health crisis in 2020*

At the time of publishing their results for the first quarter of 2020, Ingenico[162] and Worldline[163] estimated the impacts of the health crisis on their short-term prospects.

##### *(i) Ingenico*

- Ingenico set out three organic performance scenarios for 2020 according to the curves for return to normal business, after an organic decrease of approximately 20% in the second quarter of 2020:
  - "*Scenario 1: return to the pre-COVID-19 4% to 6% organic growth guidance in Q4 2020 leading to a mid-single digit organic decline in 2020;*
  - *Scenario 2: return to the pre-COVID-19 4% to 6% organic growth guidance in December 2020 leading to a mid to high single digit organic decline in 2020;*
  - *Scenario 3: return to the pre-COVID-19 4% to 6% organic growth guidance in Q1 2021 leading to a high single digit organic decline in 2020.*"
- In order to maintain its profitability in 2020, Ingenico set up, in addition to the Fit for Growth[164] plan, which will have a €35m impact on EBITDA, the C19 action plan[165], which will create a €100m impact on additional EBITDA.

[162] Ingenico press release, "First quarter 2020. Resilient Q1'20 despite the first COVID-19 impacts", April 22, 2020.
[163] Worldline press release, "Resilient first quarter 2020 revenue. Rapid adaptation of Worldline to the COVID-19 business context [...]", April 23, 2020.
[164] Implemented in February 2019 (§ 3.2.3.1 and § 4.3.1.1).
[165] Implemented during the first quarter of 2020.

- In this context, Ingenico Group has revised its outlook for 2020:
  - *"a mid to high single digit organic decline (was formerly 4- 6% organic growth);*
  - *an EBITDA margin above 21% (20.9% in FY'19) (was formerly above €650 million); [...]*
  - *no dividend payment*[166]".

### *(ii) Worldline*

Worldline updated its 2020 objectives by anticipating an overall financial performance for 2020 comparable to that of 2019:

- *"The Group expects its 2020 full year revenue to be stable or decreasing by a low single digit compared with 2019 at constant scope and foreign exchange rates; [...]*
- *The Group expects a 2020 full year OMDA percentage at constant scope and foreign exchange rates at around 25%, i.e., the same level as in 2019.*"

### *4.8.1.2. Valuation process in the context of the health crisis*

The estimation of the impact of COVID-19 on the forecasts has both technical and operational limits:

- the current situation is unprecedented by nature (a near total shutdown of business on a global scale in an international context without a widespread conflict);
- the reliability of macroeconomic and microeconomic estimates is difficult to assess;
- the Ingenico and Worldline groups have not yet revised the medium-term outlook and the data currently available is both partial and provisional;
- there are several possible business-recovery scenarios, but focusing on one over another at this stage is not possible.

We draw attention to the limitations of the valuation of Ingenico Shares and Worldline Shares in the context of the health crisis because forecasts used as the basis for the valuation depend on business recovery scenarios which are currently unpredictable.

It is however important to compare the Ingenico Shares and Worldline Shares in order to study how the health crisis can differently impact the two groups, and is likely to modify their relative values.

[166] Cancellation by the Board of Directors of the dividend payment proposal, presented to the Annual General Shareholders' Meeting on June 11, 2020.

In doing so, we considered a business-recovery scenario that was the same for Ingenico and Worldline, and consistent with the Extrapolation Period outlined for the two groups on the Transaction announcement date (§ 4.4.4.3).

As Ingenico announced on April 22, 2020[167], the health crisis will have a negative impact on the results of the 2020 financial year, irrespective of the predicted recovery scenario. Forecasts from 2021 incorporated in our valuation of Ingenico Group as of January 31, 2020 have not been revised.

In this context, discounting the value of Ingenico Shares at present would:

- result in a valuation down compared to that determined on the Transaction announcement date;
- lead to a valuation that is necessarily provisional pending a full review of Ingenico Group's prospects;
- consolidate the conclusions set out below (§ 5.4).

We present sequentially, as of June 26, 2020:

- for Ingenico, the intrinsic valuation by discounting the forecast cash flows from Ingenico Management's Business Plan and the Ingenico Consensus Business Plan, as well as the analogical valuation by comparable companies;
- for Worldline, the intrinsic valuation by discounting the forecast cash flows from the Worldline Consensus Business Plan, as well as the analogical valuation by comparable companies.

### 4.8.2. Intrinsic valuation by discounting forecast cash flows

The discounted cash flow (DCF) method was applied considering the impacts associated with the health crisis as can be estimated at this time.

#### *4.8.2.1. Discount rate*

The discount rates are calculated as of June 26, 2020 according to the same methodology as the one previously described (§ 4.4.2).

- Ingenico

We have incorporated a specific performance risk premium of 1% into the discount rate with regard to Ingenico Group's ability to deliver the growth embodied in the forecasts of Ingenico Management's Business Plan for 2021 and 2022, both in terms of business and profitability; the review of the assumptions as announced by Ingenico Management only concerns the year 2020 (§ 4.8.1.1). In our opinion, the lack of a review of the medium-term outlook justifies an additional premium for the risk of non-

[167] Ingenico Press Release "1st Quarter 2020. A solid first quarter despite the first impacts on Covid-19", 22 April 2020

performance of the objectives set out in the business plan drawn up prior to the health crisis to be included in the discount rate.
The estimated discount rate for Ingenico Group is **8.8%** as of June 26, 2020[168]:

| Discount rate – INGENICO | | |
|---|---|---|
| **As of 6/26/2020** | **B&A** | **Retail** |
| Risk-free rate | (0.1%) | (0.1%) |
| Beta of economic assets | 0.99 | 0.89 |
| Risk premium | 8.5% | 8.5% |
| Specific premium | 1.0% | 1.0% |
| ***Discount rate*** | ***9.0%*** | ***8.5%*** |
| Weighting | 69% | 31% |
| **Group discount rate** | **8.8%** | |

› Worldline

The discount rate for Worldline was 8.5%as of June 26, 2020[169].

This rate includes a specific performance risk premium of 1% with regard to Worldline's ability to improve profitability by combining strong growth.

| Discount rate – WORLDLINE | |
|---|---|
| **As of 6/26/2020** | |
| Risk-free rate | (0.1%) |
| Beta of economic assets | 0.89 |
| Risk premium | 8.5% |
| Specific premium | 1.0% |
| **Discount rate** | **8.5%** |

#### 4.8.2.2. Perpetual growth rate

As of June 26, 2020, we maintained the perpetual growth rates of 2.3% for Ingenico and 2.0% for Worldline used as of January 31, 2020 (§ 4.4.3).

For information purposes, the long-term inflation forecasts[170] of the main geographical areas in which the two groups are located are 1.8% for Ingenico and 1.3% for Worldline.

Against the background of the unprecedented health crisis with an uncertain recovery, the latest IMF publications of June 24, 2020 do not provide new medium-term projections.

[168] Sources:
- Bloomberg, 5-year unindebted median beta.
- Banque de France, 12-month historical average 10-year OAT.
- Ledouble, expected return from the French market estimated at 8.4% (April 2020).

[169] Sources:
- Bloomberg, 5-year unindebted median beta.
- Banque de France, 12-month historical average 10-year OAT.
- Ledouble, expected return from the French market estimated at 8.4% (April 2020).

[170] Source: IMF, April 2020.

### 4.8.2.3. *Forecast data used for Ingenico*

Following our discussions with Ingenico's Management, we have integrated the outlook of the central scenario forecast for 2020 in Ingenico Management's Business Plan, reflecting the deterioration of short-term projections owing to the health crisis (§ 4.8.1.1), without, however, calling into question subsequent projections relating to 2021 and 2022, owing to a lack of medium-term visibility of the consequences and impact of COVID-19:

- in 2020, a decrease in net revenue in the order of 7% associated with an EBITDA rate on net revenue of nearly 22%[171] and an investment to revenue ratio in line with that of 2019;
- over the Explicit Period and the Extrapolation Period, the estimates have not been changed (§ 4.4.4.1).

The intrinsic value of Ingenico Shares would lie between **€79.5** and **€93.5**:

| Sensitivity table – INGENICO | | | | | |
|---|---|---|---|---|---|
| g | Discount rate | | | | |
| | 8.3% | 8.6% | 8.8% | 9.1% | 9.3% |
| 1.8% | 88.9 | 84.8 | 80.9 | 77.3 | 73.9 |
| 2.0% | 91.9 | 87.4 | 83.3 | **79.5** | 76.0 |
| 2.3% | 95.1 | 90.3 | **86.0** | 81.9 | 78.2 |
| 2.5% | 98.6 | **93.5** | 88.8 | 84.5 | 80.5 |
| 2.8% | 102.4 | 96.9 | 91.9 | 87.3 | 83.1 |

The decrease in the intrinsic value of Ingenico Shares is mainly due to changes in the discount rate used between the date of announcement of the Transaction and the date of the Report. **These values confirm the conclusions set out below (§ 5.4).**

The alternative to the aforementioned approach was to model a business plan up to 2022 based on the consensus[172] following publication of the results of the first quarter of 2020 referring to the impacts of the health crisis, which we have extrapolated up to 2030 according to a methodology similar to that already shown (§ 4.4.4.2); we make it clear that the number of ratings of consensus analysts eligible for our criteria is limited[173]:

- forecasts for 2020 prove to be in line with the information provided by Ingenico to the market, both in terms of business and profitability;
- an annual growth in net revenue of 9.5% and 6.0% respectively in 2021 and 2022, followed by a convergence of the net revenue growth rate to a normative level of 2%[174];
- an increase in the EBITDA margin with IFRS 16 expected by analysts at 22.5% from 2022[175], a rate replicated over the Extrapolation Period;

[171] According to the new format for presenting Ingenico Group's objectives.
[172] Consensus comprised of analysts publishing all the aggregates required for the creation of cash flows.
[173] Six analysts in 2020 and 2021 (Berenberg, Invest Securities, Jefferies Securities, JP Morgan, Kepler Cheuvreux, Oddo BHF) and four analysts (Berenberg, Invest Securities, Jefferies Securities, Kepler Cheuvreux) in 2022.
[174] Median rate identified in financial analysts' ratings on the Transaction announcement date (§ 4.4.4.2).
[175] *Compared with* 20.9% in 2019.

- a level of investment compared to revenue maintained at its historical level.

We note that no market parameters (discount rate, perpetual growth rate) nor any valuation by the DCF method have detailed by analysts[176].

Despite the absence of guidance from Ingenico, analysts have revised their projections downwards for the years after 2020; the specific premium included in the calculation of the discount rate for the valuation of Ingenico Group as an initial approach was not adopted in this second approach; the discount rate therefore comes out at 7.8% (§ 4.8.2.1).

The intrinsic value of the Ingenico Share is between **€76.1** and **€94.6**:

| Sensitivity table – INGENICO | | | | | |
|---|---|---|---|---|---|
| g | Discount rate | | | | |
| | 7.3% | 7.6% | 7.8% | 8.1% | 8.3% |
| 1.8% | 86.4 | 81.5 | 76.9 | 72.8 | 68.9 |
| 2.1% | 90.8 | 85.4 | 80.5 | **76.1** | 71.9 |
| 2.3% | 95.7 | 89.8 | **84.5** | 79.6 | 75.2 |
| 2.6% | 101.1 | **946** | 88.8 | 83.5 | 78.7 |
| 2.8% | 107.1 | 100.0 | 93.6 | 87.8 | 82.5 |

### 4.8.2.4. *Forecast data used for Worldline*

In the absence of any communication of an internal business plan, and following the publication by Worldline of the impacts of the health crisis on its objectives in the 2020 timeframe, we have prepared a business plan based on the consensus[177], which has been extrapolated up to 2030 according to a methodology similar to that already outlined (§ 4.4.5), given that the consensus is relatively small[178]:

- forecasts prove to be in line with the information provided by Wordline to the market, both in terms of business and profitability;
- an annual growth in revenue converging towards 3%[179];
- an increase in the EBITDA margin by more than two basis points[180] in 2022, then a recurring margin rate in terminal value at a level in line with the forecasts prior to the health crisis;
- relative stability of investments, at a level higher than 5% of revenue over the period.

As with Ingenico, no market parameters (discount rate, perpetual growth rate) nor any valuation by the DCF method have been presented in detail by

[176] The price objectives that may be used for a standalone valuation have also not been updated.
[177] Consensus comprised of analysts publishing all the aggregates required for the creation of cash flows.
[178] Six analysts in 2020 and 2021 (Crédit Suisse, Citigroup, Invest Securities, Jefferies Securities, JP Morgan and UBS) and five analysts in 2022 (Crédit Suisse, Citigroup, Invest Securities, Jefferies Securities and UBS).
[179] Median rate identified in financial analysts' ratings on the Transaction announcement date (§ 4.4.5).
[180] Compared to the EBITDA margin rate for the 2019 financial year.

analysts[181]. As a reminder, the average discount rate retained by analysts on the date of Announcement of the Transaction was 7.9%, down compared to our discount rate of 8.5% on the Report date (% 4.8.2.1). This difference is accordingly reflected in our sensitivity analysis.

The intrinsic value of the Worldline Share is between **€50.4** and **€58.7**:

| Sensitivity table – WORLDLINE | | | | | |
|---|---|---|---|---|---|
| g | Discount rate | | | | |
| | 7.7% | 8.0% | 8.2% | 8.5% | 8.7% |
| **1.5%** | 55.1 | 52.5 | 50.2 | 48.1 | 46.1 |
| **1.8%** | 56.6 | 53.9 | 51.4 | 49.2 | 47.1 |
| **2.0%** | 58.2 | 55.4 | 52.8 | **50.4** | 48.1 |
| **2.3%** | 60.0 | 56.9 | **54.2** | 51.6 | 49.3 |
| **2.5%** | 61.9 | **58.7** | 55.7 | 53.0 | 50.6 |
| **2.8%** | 64.1 | 60.6 | 57.4 | 54.6 | 51.9 |

### 4.8.2.5. Summary

The intrinsic valuations of the Ingenico Share and the Worldline Share after taking the health crisis into account, based on the forecast data and above-mentioned valuation parameters, are included in a range:

- For Ingenico Shares, from **€76.1** to **€94.6**;
- For Worldline Shares, from **€50.4** to **€58.7**.

## 4.8.3. Analogical valuation by comparable companies

We have restated the analogical valuation of Ingenico Shares and Worldline Shares for the Main Offer and the Subsidiary Public Exchange Offer by using the same samples of comparable companies as those enlisted on the Transaction announcement date (§ 4.5).

The EBITDA multiples of each of the comparable companies were determined from:

- their average one-month market capitalization[182] as of June 26, 2020;
- EBITDA estimates, across the panel as a whole, arising from the analysts' consensus[183].

These multiples, excluding impact from IFRS 16, remain relatively homogeneous:

- B&A

**B&A multiples excluding IFRS 16**

[181] The price objectives that may be used for a standalone valuation have also not been updated.
[182] Net financial debt (or, where applicable, net financial cash) lies between the market capitalization and the enterprise value from which the multiples are determined.
[183] Bloomberg Consensus.

| Companies | EV/EBITDA 2020e | EV/EBITDA 2021e |
|---|---|---|
| NCR Corporation | 7.2x | 6.0x |
| Diebold Nixdorf Inc. | 6.3x | 5.1x |
| **Median** | **6.7x** | **5.6x** |
| **Average** | **6.7x** | **5.6x** |

*Source: Bloomberg*

- Retail

**Retail multiples excluding IFRS 16**

| Companies | EV/EBITDA 2020e | EV/EBITDA 2021e |
|---|---|---|
| Fidelity National Information Services, Inc. | 20.0x | 17.3x |
| Fiserv, Inc. | 16.3x | 14.6x |
| Global Payments Inc. | 20.5x | 17.2x |
| Nexi S.p.A. | 19.3x | 16.5x |
| EVO Payments, Inc. | 21.0x | 17.2x |
| **Median** | **20.0x** | **17.2x** |
| **Average** | **19.4x** | **16.6x** |

*Source: Bloomberg*

To sum up, analogical valuations using comparable listed companies of Ingenico Shares and Worldline Shares after taking the health crisis into account are included in a range:

- For Ingenico Shares, from **€78.7** to **€92.1**;
- For Worldline Shares, from **€57.7** to **€58.8**.

## 4.9. Assessment of synergies

In accordance with AMF Instruction No. 2006-08[184] and AMF Recommendation No. 2006-15[185], we conducted a review of the synergies communicated jointly by Ingenico and Worldline on announcement of the Transaction (§ 2.9) regarding the Main Offer Price. We have examined the relevant documentation and we spoke with Ingenico Management and Worldline Management, who commented on the nature and estimates.

Synergies are estimated at an annual amount of €250m, including €190m for cost synergies and €30m for revenue synergies; the annual savings achieved through optimization of investments and leases will reach an amount of €30m. These synergies should be fully achieved in the 2024 timeframe and assume implementation costs estimated at €250m.

[184] Article 3.7.
[185] Article 3.2.3.

We conducted our own analyses and simulations, which lead us to make the following remarks:

- by reference to the latest major transactions conducted in the sector[186], the contribution of profitability synergies in terms of combined EBITDA falls within the range observed in these transactions;
- generally speaking, the estimated synergies were considered feasible and conservative by financial analysts.

Thus, based on our valuation of synergies[187], we estimated that they could represent between 12.6% and 16.3%[188] of the post-Transaction[189] value of the combined Ingenico Worldline group, by building upon a takeover by Worldline of the entire share capital of Ingenico. This rate is compatible with the premium levels brought about by the Offer.

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[186] Transactions integrated into the panel of reference transactions **Annex 10** :

- Global Payment/Total System Services;
- Fidelity National Information Services / Worldpay;
- Fiserv / First Data Corporation;
- Worldline/SIX Payment;
- Vantiv/Worldpay

[187] By discounting the flows from expected synergies net of implementation costs, at a combined discount rate of both groups estimated at 8.1% in order to take into account a potential performance risk.

[188] Based on intrinsic and analogical valuations on the Transaction announcement date, insofar as the synergies were quantified before the health crisis.

[189] The post transaction Group includes the total by homogeneous method of the value of Worldline and that of Ingenico after deducting the debt generated by the Offer.

# 5. Summary of the multi-criteria valuation of Ingenico Shares and Worldline Shares and assessment of the premiums generated by the Transaction

The values obtained following our multi-criteria evaluation of Ingenico Shares and Worldline Shares are summarized in the table below, as well as the premiums on all the valuation criteria that we selected.

The terms of the Offer refer to the closing prices of Ingenico Shares and Worldline Shares as of January 31, 2020 (§ 2.2.2.1). As a reminder, the terms of the Offer for Ingenico Shares are as follows:

- the **Main Offer** comprising an option in Worldline securities and a cash option based on an exchange parity of 11 Worldline Shares plus an amount of €160.50[190] for seven Ingenico Shares respectively:

| Terms of the Main Offer | | |
|---|---|---|
| # Ingenico shares | 7 | |
| # Worldline shares | 11 | **7 I = 11 W + €160.5** |
| Payment | €160.5 | **I = 11/7 W + 160.5/7** |
| Ingenico Offer Price | €123.1 | **I = 1.57 W + €22.93** |
| Worldline closing price as of 01/31/2020 | €63.8 | |
| Ingenico closing price as of 01/31/2020 | €105.2 | |

- the **Subsidiary Public Exchange Offer** in Worldline securities is based on an Exchange Parity of 56 Worldline Shares for 29 Ingenico Shares:

| Terms of the Subsidiary Exchange Offer | | |
|---|---|---|
| # Ingenico shares | 29 | |
| # Worldline shares | 56 | **29 I = 56 W** |
| Ingenico Offer Price | €123.1 | **I = 56/29 W** |
| Worldline closing price as of 01/31/2020 | €63.8 | **I = 1.93 W** |
| Ingenico closing price as of 01/31/2020 | €105.2 | |

- the **Subsidiary Public Purchase Offer Price** amounts to €123.10 per Ingenico Share:

| Terms of Subsidiary Takeover Bid | |
|---|---|
| Subsidiary Public Purchase Offer Price | €123.1 |
| Worldline closing price as of 01/31/2020 | €63.8 |
| Ingenico closing price as of 01/31/2020 | €105.2 |

[190] i.e. an amount of €22.93 per Share (160.5 / 7)

## 5.1. Main Offer[191]

| In €/share | INGENICO | WORLDLINE | Value of Ingenico shares from application of the Main Offer | | | Resulting premium/ discount (in %) |
|---|---|---|---|---|---|---|
| | | | Securities (a) | Cash (b) | Total (c) = (a) + (b) | |
| **Main Offer** | **105.2** | **63.8** | *100.2* | *22.9* | **123.1** | 17.0% |
| **Stock market price as of 01/31/2020 (WACC)** | | | | | | |
| Spot | **105.1** | **64.0** | *100.6* | 22.9 | 123.5 | 17.5% |
| 1 month | **101.5** | **65.2** | *102.5* | 22.9 | 125.5 | 23.6% |
| 3 months | **98.3** | **59.2** | *93.1* | 22.9 | 116.0 | 18.1% |
| + 12-month low | **47.0** | **48.6** | *76.3* | 22.9 | 99.2 | 111.3% |
| + 12-month high | **105.7** | **67.5** | *106.1* | 22.9 | 129.1 | 22.1% |
| **Price objective – Pre-announcement** | | | | | | |
| Average price objective | **98.6** | **66.0** | *103.6* | 22.9 | 126.6 | 28.4% |
| **DCF – Ingenico Management Business Plan** | | | | | | |
| *01/31/2020 – Date of announcement* | | | | | | |
| DCF – min | **99.4** | **58.1** | *91.4* | 22.9 | 114.3 | 15.0% |
| DCF – max | **120.3** | **70.1** | *110.1* | 22.9 | 133.0 | 10.55% |
| *04/30/2020 – Post-COVID-19* | | | | | | |
| DCF – min | **79.5** | **50.4** | *79.1* | 22.9 | 102.1 | 28.4% |
| DCF – max | **93.5** | **58.7** | *92.2* | 22.9 | 115.1 | 23.1% |
| **DCF – Brokers' consensus** | | | | | | |
| *01/31/2020 – Date of announcement* | | | | | | |
| DCF – min | **90.8** | **58.1** | *91.4* | 22.9 | 114.3 | 25.8% |
| DCF – max | **105.6** | **70.1** | *110.1* | 22.9 | 133.0 | 26.0% |
| *04/30/2020 – Post-COVID-19* | | | | | | |
| DCF – min | **76.1** | **50.4** | *79.1* | 22.9 | 102.1 | 34.2% |
| DCF – max | **94.6** | **58.7** | *92.2* | 22.9 | 115.1 | 21.7% |
| **Stock market multiples** | | | | | | |
| *01/31/2020 – Date of announcement* | | | | | | |
| EV/EBITDA min | **89.5** | **60.2** | 94.6 | 22.9 | 117.5 | 31.3% |
| EV/EBITDA max | **92.1** | **61.8** | *97.1* | 22.9 | 120.0 | 30.4% |
| *04/30/2020 – Post-COVID-19* | | | | | | |
| EV/EBITDA min | **78.7** | **57.7** | 90.7 | 22.9 | 113.6 | 44.2% |
| EV/EBITDA max | **92.1** | **58.5** | 92.3 | 22.9 | 115.3 | 25.1% |
| **Transaction multiples** | | | | | | |
| EV/EBITDA with IFRS 16 | **93.2** | **55.9** | *87.8* | 22.9 | 110.7 | 18.8% |
| EV/EBITDA excluding IFRS 16 | **98.0** | **59.0** | *92.7* | 22.9 | 115.6 | 18.0% |

(a) : 11/7 * Worldline value; (b) : 11/7*€160.5

[191] As a reminder, in DCF the "Ingenico Management's Business Plan" includes forecasts Ingenico Management forecasts over the Explicit Period, extended by Ledouble over the 2023-2030 Extrapolation Period.

## 5.2. Subsidiary Exchange Offer[192]

| In €/share | INGENICO (a) | WORLDLINE (b) | Implicit exchange ratio (c) = (a)/(b) | Induced value for Ingenico Shares under Subsidiary PEO | Resulting premium/ discount (in %) |
|---|---|---|---|---|---|
| **Subsidiary Public Exchange Offer** | **123.1** | **63.8** | **1.93** | **123.1** | **17.0%** |
| **Stock market price as of 01/31/2020 (WACC)** | | | | | |
| Spot | **105.1** | **64.0** | 1.64 | 123.6 | **17.6%** |
| 1 month | **101.5** | **65.2** | 1.56 | 126.0 | **24.2%** |
| 3 months | **98.3** | **59.2** | 1.66 | 114.4 | **16.4%** |
| + 12-month low | **47.0** | **48.6** | 0.97 | 93.8 | **99.7%** |
| + 12-month high | **105.7** | **67.5** | 1.57 | 130.4 | **23.4%** |
| **Price objective – Pre-announcement** | | | | | |
| Average price objective | **98.6** | **66.0** | 1.49 | 127.4 | **29.2%** |
| **DCF – Ingenico Management Business Plan** | | | | | |
| *01/31/2020 – Date of announcement* | | | | | |
| DCF – min | **99.4** | **58.1** | 1.71 | 112.3 | **13.0%** |
| DCF – max | **120.3** | **70.1** | 1.72 | 135.3 | **12.4%** |
| *06/26/2020 – Post-COVID-19* | | | | | |
| DCF – min | **79.5** | **50.4** | 1.58 | 97.2 | **22.3%** |
| DCF – max | **93.5** | **58.7** | 1.59 | 113.3 | **21.2%** |
| **DCF – Brokers' consensus** | | | | | |
| *01/31/2020 – Date of announcement* | | | | | |
| DCF – min | **90.8** | **58.1** | 1.56 | 112.3 | **23.6%** |
| DCF – max | **105.6** | **70.1** | 1.51 | 135.3 | **28.1%** |
| *06/26/2020 – Post-COVID-19* | | | | | |
| DCF – min | **76.1** | **50.4** | 1.51 | 97.2 | **27.9%** |
| DCF – max | **94.6** | **58.7** | 1.61 | 113.3 | **19.7%** |
| **Stock market multiples** | | | | | |
| *01/31/2020 – Date of announcement* | | | | | |
| EV/EBITDA min | **89.5** | **60.2** | 1.49 | 116.2 | **29.8%** |
| EV/EBITDA max | **92.1** | **61.8** | 1.49 | 119.3 | **29.6%** |
| *06/26/2020 – Post-COVID-19* | | | | | |
| EV/EBITDA min | **78.7** | **57.7** | 1.37 | 111.4 | **41.5%** |
| EV/EBITDA max | **92.1** | **58.8** | 1.57 | 113.5 | **23.2%** |
| **Transaction multiples** | | | | | |
| EV/EBITDA with IFRS 16 | **93.2** | **55.9** | 1.67 | 107.9 | **15.8%** |
| EV/EBITDA excluding IFRS 16 | **98.0** | **59.0** | 1.66 | 113.9 | **16.3%** |

*The implicit exchange rate of 1.93 is derived from the exchange parity of 56 Worldline Shares for 29 Ingenico Shares;
**(b) * 1.93.

[192] As a reminder, in DCF the "Ingenico Management's Business Plan" includes forecasts Ingenico Management forecasts over the Explicit Period, extended by Ledouble over the 2023-2030 Extrapolation Period.

## 5.3. Subsidiary Purchase Offer[193]

| In €/share | INGENICO | Resulting premium/ discount (in %) |
|---|---|---|
| **Subsidiary Public Purchase Offer** | **123.1** | **17.0%** |
| **Stock market price as of 01/31/2020 (WACC)** | | |
| Spot | **105.1** | **17.1%** |
| 1 month | **101.5** | **21.3%** |
| 3 months | **98.3** | **25.3%** |
| + 12-month low | **47.0** | **162.2%** |
| + 12-month high | **105.7** | **16.4%** |
| **Price objective – Pre-announcement** | | |
| Average price objective | **98.6** | **24.9%** |
| **DCF – Ingenico Management Business Plan** | | |
| *01/31/2020 – Date of announcement* | | |
| DCF – min | **99.4** | **23.9%** |
| DCF – max | **120.3** | **2.3%** |
| *06/26/2020 – Post COVID-19* | | |
| DCF – min | **79.5** | **54.8%** |
| DCF – max | **93.5** | **31.7%** |
| **DCF – Brokers' consensus** | | |
| *01/31/2020 – Date of announcement* | | |
| DCF – min | **90.8** | **35.5%** |
| DCF – max | **105.6** | **16.6%** |
| *06/26/2020 – Post COVID-19* | | |
| DCF – min | **76.1** | **61.9%** |
| DCF – max | **94.6** | **30.1%** |
| **Stock market multiples** | | |
| *01/31/2020 – Date of announcement* | | |
| EV/EBITDA min | **89.5** | **37.5%** |
| EV/EBITDA max | **92.1** | **33.7%** |
| *06/26/2020 – Post COVID-19* | | |
| EV/EBITDA min | **78.7** | **56.3%** |
| EV/EBITDA max | **92.1** | **33.6%** |
| **Transaction multiples** | | |
| EV/EBITDA with IFRS 16 | **93.2** | **32.1%** |
| EV/EBITDA excluding IFRS 16 | **98.0** | **25.6%** |
| **Adjusted Net Asset Value** | | |
| Adjusted Net Asset Value | **50.5** | **144.0%** |

[193] As a reminder, in DCF the "Ingenico Management's Business Plan" includes forecasts Ingenico Management forecasts over the Explicit Period, extended by Ledouble over the 2023-2030 Extrapolation Period.

## 5.4. Summary

The Ingenico Shares and Worldline Shares were valuated:

- on the Transaction announcement date; and
- on the Report date to account for the effects of the COVID-19 health crisis.

As of today's date, the estimated impact of COVID-19 on the forecasts is still incomplete and provisional, insofar as:

- the financial analysts adjusted their forecasts of the impact of the public health crisis for Ingenico and Worldline without any guidance from the management of the two groups; and
- some analysts are already anticipating the immediate impact of the Offer.

With this in mind, we do not believe we have sufficiently reliable forecast data available to valuate the Ingenico Shares and Worldline Shares in the wake of this health crisis. However, the information we currently have allows us to:

- confirm that the value of the Ingenico Shares is lower than the outcome of the multi-criteria valuation carried out on the Transaction announcement date, meaning that the premiums expressed on that date through the Subsidiary Purchase Offer are now higher;
- determine the relative values of the Ingenico Shares and the Worldline Shares in light of the public health crisis in order to assess the Exchange Parity.

The valuations we conducted allow us to reach conclusions on the three options comprising the Offer:

- **The Main Offer Price** shows a premium on all the valuation criteria on the Transaction announcement date and on the Report date:
  - the Main Offer Price generates a minimum premium of **17.5%** on the price on the Transaction announcement date, which increases on long-term price averages;
  - the intrinsic values of the DCF method show premiums of between **10.60%** and **26.0%** on the date of announcement of the Transaction. Taking account of the public health crisis leads to similar levels of premiums;
  - the premiums generated by the analogue values fall within a wide range of between **18.0%** (transactional multiples) and **44.2%** (Stock market multiples).
- **The Exchange Parity** of the Subsidiary Exchange Offer shows a premium on all the valuation criteria on the date of announcement of the Transaction; the premiums are between **12.4%** on the Transaction announcement date and **41.5%** on the date of the Report.
- **The Subsidiary Purchase Offer Price** shows a premium on all the valuation criteria on the Transaction announcement date and on the Report date..

# 6. Valuation of OCEANE Bonds

On June 26, 2015 Ingenico issued 2,904,443 OCEANE[194] Bonds on Euronext Access[195] for an amount of €499,999,862.45.

The initial provisions of their issue provide that the OCEANE bonds, with a nominal value of **€172.15** and maturing on June 26, 2022, are not interest-bearing (zero coupon) and are convertible at any time on the basis of a conversion rate[196] of 1.009 shares per converted OCEANE bond.

The characteristics of OCEANE Bonds are summarized below:

| **Features of the OCEANE bond** | |
|---|---|
| Number of OCEANE bonds issued | 2,904,443 |
| Issue price | €172.15 |
| Redemption price | €172.15 |
| Exercise price | €172.15 |
| Coupon | Zero coupon |
| Maturity | 7 years |
| ISIN Code | FR0012817542 |

In the event of a change of control of Ingenico, the prospectus establishes that OCEANE bond holders are entitled to an early redemption right (§ 6.2) and an adjusted conversion ratio (§ 6.3).

Reminder:

- The OCEANE Bond Offer Price is €179;
- The Exchange Parity for the OCEANE Bond is 4 Worldline Shares and €998 for 7 OCEANE Bonds, in agreement with the OCEANE Bond Offer Price of €179[197].

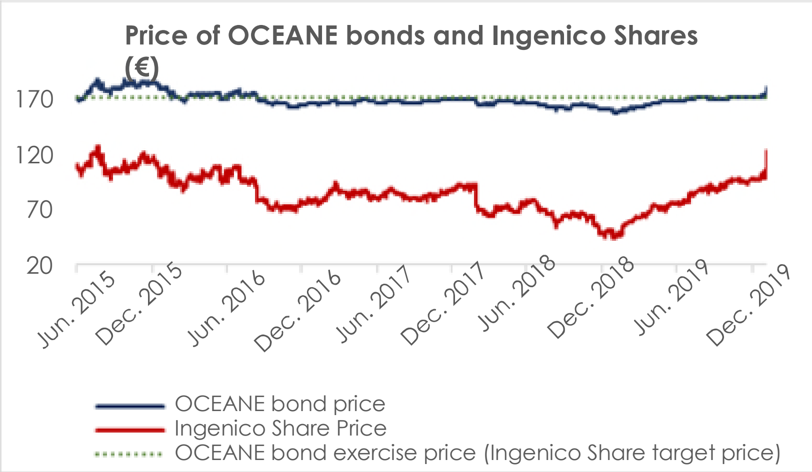
We present in a successive order:

- reference to the OCEANE Bond stock market price (§ 6.1);
- OCEANE Bond redemption price (§ 6.2);
- OCEANE Bond conversion value (§ 6.3);
- our estimate of the theoretical value of an OCEANE Bond (§ 6.4);
- summary of our evaluation of OCEANE Bonds (§ 6.5).

[194] Under ISIN code FR0012817542.
[195] Formerly free market.
[196] The conversion rate has changed on numerous occasions over the life of OCEANE Bonds and is being re-calculated in the context of this Offer.
[197] (4 x Worldline Share Reference Value: €63.8) + €998] / 7.

## 6.1. Reference to the stock market price

Below we present the evolution of the OCEANE Bond price from its first listing until the Transaction announcement date, compared to the Share price. As these instruments are traded on Euronext Access, we do not have information on daily trading volumes.




The price of the OCEANE Bond has changed little since 2015, fluctuating between €157.3 and €187.9, resulting in a price variation of around 9% compared to the nominal value. The variations in the OCEANE Bond price do not seem to correlate with the key events impacting the life of Ingenico.

The table below summarizes the average OCEANE price as of January 31, 2020, the last listing before the Transaction was announced:

| **Pre-announcement price** | **€** |
|---|---|
| Spot | 174.4 |
| 1 month | 173.5 |
| 3 months | 172.7 |
| 6 months | 172.0 |
| 12 months | 169.0 |
| **12-month high** | **175.1** |
| **12-month low** | **158.8** |

While the stock market price is not entirely useful for assessing the value of an OCEANE Bond, the last trade prior to the announcement of the Transaction was for **€174.4**. The OCEANE Offer Price and the OCEANE Exchange Parity express a premium of 2.6%[198] and 2.7%[199] respectively on this last trade.

For information, the price of the OCEANE Bond post-announcement reached €185.9[200] on February 19, 2020.

[198] (€179.0 / €174.4) – 1 = 2.6%.
[199] [((4 x €64.0) + €998) / 7/ €174.4] - 1 = 2.7%.
[200] For indicative purposes, over the long term a maximum price of €187.9 was reached on a one-off basis on October 22, 2015.

## 6.2. Early redemption price

In the event of a change of control of the Company, the documentation relating to OCEANE Bonds[201] establishes that OCEANE bondholders are entitled to an early redemption right at par value if the rating of the initiator assigned by a ratings agency is lower than BBB- (or equivalent) at the time of the acquisition or within 90 days of the effective takeover.

We also established that Ingenico would be able to redeem or refinance the bond debt amounting to €500 million. In any event:

- the buyback of OCEANE Bonds is an integral part of the offer, such that the financing of said bonds is ensured by Worldline;
- the price proposed as part of the OCEANE Bond Cash Offer (**€179.0**) is greater than the OCEANE Bond redemption price (**€172.2**), making the exercise of this clause unlikely;
- the post-acquisition rating forecast for Worldline was maintained at BBB by ratings agency S&P[202].

## 6.3. Conversion value

The conversion value involves the valuation of OCEANE Bonds based on the market value of Ingenico Shares.

The OCEANE Bond prospectus provides for an adjustment of the OCEANE Bond/Ingenico Share conversion ratio in the event of a public offer[203]; set at 1.009 shares per OCEANE Bond during the previous adjustment[204], it is now set at 1.161 by reference to the following formula:

$$\text{Pre-transaction conversion ratio x } \left(1 + \text{share premium x } \frac{\text{remaining term}}{\text{total duration of the OCEANE bonds}}\right)$$

| Adjusted conversion ratio | |
|---|---|
| Pre-transaction conversion ratio | 1.009 |
| Share premium | 55% |
| Offer-Maturity period (days) | 702 |
| *Launch of the Offer* | *7/24/2020* |
| *Maturity of the OCEANE bond* | *6/26/2022* |
| Total duration of OCEANE bonds (days) | 2,557 |
| **Adjusted conversion ratio** | **1.161** |

201 "Terms and conditions of the senior unsecured bonds convertible into new shares and/or exchangeable for existing shares of Ingenico Group due 2020", June 23, 2015.
202 "Worldline 'BBB' Ratings Affirmed On Planned Ingenico Acquisition; Outlook Stable", February 3, 2020.
203 § 14.6.10 (c), p. 21.
204 Ingenico Group, "Change in OCEANE Conversion/Exchange Ratio Maturity Date of June 26, 2022", June 2018.

In the context of the Offer, the conversion ratio is adjusted to 1.161:

- on the basis of the stock market price of Ingenico Shares as of June 26, 2020, the value of OCEANE Bonds would be **€163.2**[205] according to the adjusted conversion ratio, i.e., a premium
  - of 9.7% resulting from the OCEANE Bond Offer Price of €179.0[206] as part of the OCEANE Bond Cash Offer and
  - of 13.9%[207] by the OCEANE Exchange Parity as part of the OCEANE Bond Combined Offer;
- for information purposes, on the basis of a maximum Ingenico Share price achieved since the announcement of the Transaction of €141.2[208], the value of OCEANE Bonds would be €164.0[209] according to the adjusted conversion ratio, i.e., a premium:
  - of 9.1% resulting from the OCEANE Bond Offer Price[210] as part of the OCEANE Bond Cash Offer and
  - of 13.7%[211] by the OCEANE Exchange Parity as part of the OCEANE Bond Combined Offer

## 6.4. Theoretical value

The theoretical value of OCEANE consists of a bond component, ("**Bond**"), and an option component ("**Option**").

### 6.4.1. Valuation of the Bond

The theoretical value of the Bond was determined using an actuarial approach, aiming to adjust the redemption value with regard to the "zero coupon" nature of the bond.

Based on the zero coupon curve resulting from the swap rates observed as of June 26, 2020[212] and by polynomial interpolation, we estimated the theoretical value of the Bond at **€173.4:**

[205] Price of Ingenico Shares as of June 26, 2020: €140.6 x 1.161 = Value of the OCEANE bond: €163.2
[206] (€179.0 / €163.2) -1 = 9.7%.
[207] Stock market price of Worldline Shares of €75.8 on June 26, 2020 leads to a value of Ingenico Shares of €185.9 = [(4 x Value of Worldline Shares: €75.8) + €998] / 7; the OCEANE Bond Exchange Parity expresses a premium of 13.9% = (€185.9 /€163.2) - 1.
[208] Ingenico Share closing price on February 19, 2020 (§ 4.3.1.1).
[209] Maximum Ingenico Share price since the announcement of the Transaction: €141.2 x 1.161 = €164.0.
[210] (€179.0 /€164.0) - 1 = 9.1%.
[211] The highest Worldline Share price achieved since the announcement of the Transaction (€76.8 on February 19, 2020) points to an Ingenico Share value of €186.4, = [(4 x Worldline Share value: €76.8) + €998] / 7; the OCEAN Bond Exchange Parity points to a premium of 13.7% = (€186.4 / €164.0) -1.
[212] Source: Comité de Normalisation Obligataire (French Bond Standardization Committee).

| Features of the OCEANE bond | |
|---|---|
| Redemption (€) | 172.2 |
| Discount rate | (0.4%) |
| Remaining maturity (years) | 2.0 |
| **Unit value (€)** | **173.4** |

### 6.4.2. Valuation of the Option and OCEANE theoretical value

In the presence of "American"[213] options, the theoretical valuation of the Option was made using a binomial model, basing the underlying value at the[214] maximum value of the stock market price before the announcement of the Transaction.

The following assumptions underlie the valuation of the Option:

- underlying value: **€105.7**, corresponding to the highest price observed during the 12 months preceding the announcement of the Transaction (§ 4.3.1.1) ;
- exercise price: **€172.15**;
- maturity: **2.0 years**, duration of the period between June 26, 2020, date of updating the bond parameters, and the bond redemption date;
- Share volatility: **31.1%** over a 1-year period[215];
- risk-free rate: **(0.44%)** derived from interpolation[216] of the rate curve the horizon of which also corresponds to the maturity of the Option;
- rate of return: **1,5%**[217].

The sensitivity of the theoretical value of the Option to the underlying value, as well as the induced value of the OCEANE Bond associated with each scenario is as follows:

| Underlying asset valuation method | Values realized | | | |
|---|---|---|---|---|
| | Underlying asset | Options | Bond | OCEANE Bonds |
| DCF – Ingenico Management Business Plan (minimum value) | 99.4 | 2.4 | 173.4 | **175.8** |
| DCF – Ingenico Management Business Plan (maximum value) | 120.3 | 6.2 | 173.4 | **179.6** |
| DCF – Ingenico consensus (minimum value) | 90.8 | 1.4 | 173.4 | **174.8** |
| DCF – Ingenico consensus (maximum value) | 105.6 | 3.2 | 173.4 | **176.6** |
| Maximum stock market price for Ingenico shares over 12 months | 105.7 | 3.2 | 173.4 | **176.6** |

[213] The option may be exercised at any time before maturity.
[214] Average price weighted by the maximum volumes observed during the 12 months preceding the announcement of the Transaction.
[215] Source: Bloomberg.
[216] CMR interpolated on residual maturity (2.0 years) as of June 26, 2020.
[217] Median rate of return over the last five years based on the dividend per Share paid and the price per Share on the dividend payment date.

By reference to the maximum[218] price of Ingenico Shares reached over the twelve-month period preceding the announcement of the Transaction, the Option unit value amounts to €3.2. In view of the valuation of the bond and option components, the theoretical unit value of OCEANE Bonds is **€176.6**[219], i.e., a premium of 1.3%[220] through the OCEANE Bond Offer Price and 2.6%[221] through the OCEANE Bond Exchange Parity.

The theoretical unit value of the OCEANE Bond is between **€174.8** and **€179.6.**

## 6.5. OCEAN Valuation Summary

### 6.5.1. OCEANE Bond Cash Offer

As a reminder, the public offer for OCEANE Bonds includes an OCEANE Bond Cash Offer for an OCEANE Offer Price of €179.

| In €/share | Ingenico | Resulting premium/ discount (in %) |
|---|---|---|
| **OCEANE Cash Exchange Offer** | **179.0** | |
| **Stock market price** | | |
| Spot | 174.4 | 2.6% |
| 1 month | 173.5 | 3.2% |
| 3 months | 172.7 | 3.6% |
| 6 months | 172.0 | 4.0% |
| 12 months | 169.0 | 5.9% |
| **Early redemption price** | | |
| Early redemption price | 172.2 | 4.0% |
| **Conversion value as of 06/26/2020** | | |
| Stock market price of Ingenico shares as of 06/26/2020 | 163.2 | 9.7% |
| **Theoretical value** | | |
| DCF – Ingenico Management Business Plan (minimum value) | 175.8 | 1.8% |
| DCF – Ingenico Management Business Plan (maximum value) | 179.6 | (0.3%) |
| DCF – Ingenico consensus (minimum value) | 174.8 | 2.4% |
| DCF – Ingenico consensus (maximum value) | 176.6 | 1.4% |
| Maximum stock market price for Ingenico shares over 12 months | 176.6 | 1.3% |

The OCEANE Bond Offer Price shows premiums of between **(0.3%)** and **9.7%.**

As the conversion value is lower than the theoretical value of the OCEANE Bond, the latter is considered a reference value in our assessment of the OCEANE Bond[222] Offer Price.

[218] The maximum closing price of the Ingenico Share of €105.7 was reached on January 29, 2020.
[219] Theoretical value of the Bond (€173.5) + maximum unit value of the Option (€3.5).
[220] (OCEANE Bond Offer Price: €179.0 / OCEANE Bond theoretical unit value: €176.6) – 1.
[221] [((Highest Worldline Share price since the announcement of the Transaction: €67.5 x 4) + €998) / 7 / €176.6] - 1.
[222] The immediate resale of a bond on the market would generate proceeds of €163.2 based on the conversion value, i.e., a value lower than the theoretical value of the OCEANE Bond.

## 6.5.2. OCEANE Bond Exchange Parity

The Offer also comprises an OCEANE Bond Combined Offer based on an exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds, in line with the €179 OCEANE Bond Offer Price.

Setting a value of €179.0 for OCEANE Bonds, corresponding to the OCEANE Bond Offer Price, points to an induced value for the Worldline Share of €63.8[223], corresponding to the Worldline Share closing price preceding the Transaction announcement date.

Whether the cash or combined offer is chosen by unitholders will therefore depend on the expectations of each individual regarding the changes in Worldline Share prices. We present below the results of the cross-valuations carried out on OCEANE Bonds and on Worldline Shares in order to assess the OCEANE Bond Exchange Parity:

| In €/share | Ingenico OCEANE Bonds | Worldline Shares | Value of Ingenico shares from application of the Main Offer | | | Resulting premium/ discount (in %) |
|---|---|---|---|---|---|---|
| | | | Securities (a) | Cash (b) | Total (c) = (a) + (b) | |
| **OCEANE Bond Exchange Parity** | **179.0** | **63.8** | *36.4* | *142.6* | 179.0 | - |
| **Stock market price** | | | | | | |
| Spot | 174.4 | 64.0 | *36.6* | *142.6* | 179.1 | **2.7%** |
| 1 month | 173.5 | 65.2 | *37.3* | *142.6* | 179.9 | **3.7%** |
| 3 months | 172.7 | 59.2 | *33.9* | *142.6* | 176.4 | **2.1%** |
| **Early redemption price** | | | | | | |
| Early redemption price | 172.2 | 75.8 | *43.3* | *142.6* | 185.9 | **8.0%** |
| **Conversion value as of 06/26/2020** | | | | | | |
| Stock market price of Ingenico shares as of 06/25/2020 | 163.2 | 75.8 | *43.3* | *142.6* | 185.9 | **13.9%** |
| **Theoretical value** | | | | | | |
| DCF – Ingenico Management Business Plan (minimum value) | 175.8 | 58.1 | *33.2* | *142.6* | 175.8 | **0.0%** |
| DCF – Ingenico Management Business Plan (maximum value) | 179.6 | 70.1 | *40.0* | *142.6* | 182.6 | **1.7%** |
| DCF – Ingenico consensus (minimum value) | 174.8 | 58.1 | *33.2* | *142.6* | 175.8 | **0.6%** |
| DCF – Ingenico consensus (maximum value) | 176.6 | 70.1 | *40.0* | *142.6* | 182.6 | **3.4%** |
| Maximum stock market price for Ingenico shares over 12 months | 176.6 | 67.5 | *38.6* | *142.6* | 181.2 | **2.6%** |

The OCEANE Bond Exchange Parity shows a premium, compared to the estimated OCEANE Bond unit value, of between **0.0%** and **13.9%**.

[223] (7 x €179.0 - €998) /4 = €63.8.

# 7. Analysis of the valuation factors of Sponsoring Institutions

We examined the evaluation work carried out by BNP Paribas, Morgan Stanley, Natixis and Société Générale in their capacity as Sponsoring Institutions.

The assessments we conducted are based on financial, analogue and intrinsic methods applied on the Transaction announcement followed by the Report date. The Sponsoring Institutions carried out analogue and intrinsic assessments only.

The comparison of the respective valuations invites the following comments:

## 7.1. Net debt

We differentiated the amount of net debt of the intrinsic valuation from that of the analogue valuation in moving from the enterprise value to the equity value of the two groups. The Sponsoring Institutions retained the same net financial debt in both the intrinsic and analogue valuations.

The net financial debt of the Sponsoring Institutions[224] and ours in the intrinsic valuation are reconciled as follows:

- **Ingenico**

| Net financial debt – INGENICO | |
|---|---|
| €m | 2019 |
| **Sponsoring Institutions** | **(2,071)** |
| Non-controlling interests | 667 |
| Other restatements | 67 |
| Shareholders' equity components of OCEANE bonds | 30 |
| **Intrinsic valuation – Ledouble** | **(1,306)** |

The differences mainly arise from minority interests; we directly recognize cash flows from minority interests associated with the Payone joint venture, whereas the Sponsoring Institutions use, in the net financial debt, an average Payone valuation derived from financial analysts' notes.

The other adjustments concern, firstly, the exclusion of certain financial assets and provisions by the Sponsoring Institutions and, secondly, the inclusion by the Sponsoring Institutions of the shareholders' equity component of the Ingenico OCEANE bonds within debt.

224 Excluding the impact of IFRS 16 ("Total pre-IFRS 16 enterprise value adjustments").

### Worldline

| Net financial debt – WORLDLINE | |
|---|---|
| €m | 2019 |
| **Sponsoring Institutions** | **(741)** |
| Shareholders' equity components of OCEANE bonds | 43 |
| Other restatements | 9 |
| **Intrinsic valuation – Ledouble** | **(689)** |

The difference between the Sponsoring Institutions and Ledouble in net financial debt arises primarily from the Sponsoring Institutions including the shareholders' equity component of Worldline OCEANE bonds as debt.

## 7.2. Reference to the stock market price

The Sponsoring Institutions analyze the average prices weighted by the closing volumes as of January 31, 2020, the last trading day prior to the Transaction announcement, whereas we use the average prices weighted by intraday volumes. The minimum and maximum share price benchmarks presented by the Sponsoring Institutions correspond to minimum and maximum values recorded during trading over the past 12 months.

The differences observed are not significant.

## 7.3. Intrinsic valuation by discounting forecast cash flows

The comparative examination of applying the DCF method highlights several differences in methodology:

- Forecast aggregates
  - The Sponsoring Institutions have not had access to the business plans drawn up by the Ingenico Management and Worldline Management; the forecast aggregates they have used are based exclusively on the consensus of analysts responsible for monitoring Ingenico and Worldline securities.
  - Ledouble's work was based on:
    - for Ingenico, on Ingenico Management's Business Plan and the Ingenico Consensus Business Plan before the announcement of the Transaction and on the date of the Report;
    - for Worldline, the Worldline Consensus Business Plan before the Transaction announcement followed by the Report date.
  - For Ingenico and Worldline, the Sponsoring Institutions extended the financial analysts' consensus (2020-2021) by three years (2022-2024), whereas our Extrapolation Period lasts until 2030.

- Discount rate
  - The Sponsoring Institutions used the weighted average cost of capital (WACC), whereas we used the cost of capital (CoC).
  - The discount rate applicable to Ingenico for the Sponsoring Institutions is 7.0%, compared with 7.7% for Ledouble; for Worldline the rates are 7.0% and 7.4%, respectively.
  - The Sponsoring Institutions have maintained their discount rates to value Ordinary Shares after taking the global health crisis into account; discount rates presented by Ledouble are higher.
- Growth rate
  - The Sponsoring Institutions aligned perpetual growth with that indicated by the analysts; we retained long-term inflation forecasts for the main geographical regions in which the two groups are located.
  - The perpetual growth rate differential is 0.4 points for Ingenico225 and 1.2 points for Worldline[226] at the transaction announcement date; perpetual growth rates have been maintained for post Covid-19 valuations by Ledouble and the Sponsoring Institutions.

## 7.4. Analogical valuation method

To account for the specificities the Ingenico Group's business activities, the Sponsoring Institutions, like us, used an analogical valuation method to find the a sum of the parts: the B&A business unit on the one hand and the Retail business unit on the other.

Ledouble and the Sponsoring Institutions used the same panel of comparable listed companies for both the B&A and Retail business units.

With regard to an analogical valuation using a comparable company analysis, Ledouble differentiated ourselves from the Sponsoring Institutions in that:

- we calculated median multiples based on the one-month average market capitalizations of the comparable companies, whereas the Sponsoring Institutions based their calculations on a spot price on January 31, 2020; and on June 26, 2020;
- we were able to apply the multiples to the EBITDA for 2020 and the EBITDA for 2021 resulting from Ingenico Management's Business Plan to which the Sponsoring Institutions did not have access.

With regard to analogical valuations through comparable transactions, our selection of comparable transactions, compared to that of the Sponsoring Institutions from 2017 to 2019, focuses on the most recent transactions between 2017 and 2019. However, we also reviewed transactions that occurred prior to 2017.

[225] 1.9% for the Sponsoring Institutions compared with 2.3% for Ledouble.
[226] 3.2% for the Sponsoring Institutions compared with 2.0% for Ledouble.

## 7.5. Adjusted Net Asset Value

The Sponsoring Institutions discarded this analysis method.

## 7.6. Summary of the valuation of Ingenico Shares and Worldline Shares

The numerical comparison of our valuation of Ingenico Shares and Worldline Shares with that of the Sponsoring Institutions is set out below:

| INGENICO | | | | | | |
|---|---|---|---|---|---|---|
| | Ledouble | | | Sponsoring Institutions | | |
| € | Min | Mid | Max | Min | Mid | Max |
| **Stock market price as of 01/31/2020** | | | | | | |
| Spot | | 105.1 | | | 105.2 | |
| 1 month | | 101.5 | | | 101.4 | |
| 3 months | | 98.3 | | | 98.3 | |
| 12-month low | | 47.0 | | | 46.2 | |
| 12-month high | | 105.7 | | | 107.7 | |
| **Price objective – Pre-announcement** | | 98.6 | | | 98.7 | |
| **DCF – Ingenico Management Business Plan as of 01/31/2020** | 99.4 | | 120.3 | | - | |
| **DCF – Ingenico Management Business Plan as of 06/30/2020** | 79.5 | 93.5 | | | | |
| **DCF – Consensus as of 01/31/2020** | 90.8 | | 105.6 | 110.4 | 111.7 | 112.9 |
| **DCF – Consensus as of 06/30/2020** | 76.1 | | 94.6 | 100.3 | 101.8 | 103.2 |
| **Stock market multiples as of 01/31/2020** | 89.5 | | 92.1 | 87.1 | 90.2 | 91.5 |
| **Stock market multiples as of 06/30/2020** | 78.7 | | 92.1 | 72.7 | 74.1 | 79.4 |
| **Transaction multiples** | 93.2 | | 98.0 | 87.0 | | 98.1 |
| **Adjusted Net Asset Value** | | 50.5 | | | - | |

| WORLDLINE | | | | | | |
|---|---|---|---|---|---|---|
| | Ledouble | | | Sponsoring Institutions | | |
| € | Min | Mid | Max | Min | Mid | Max |
| **Stock market price as of 01/31/2020** | | | | | | |
| Spot | | 64.0 | | | 63.8 | |
| 1 month | | 65.2 | | | 65.3 | |
| 3 months | | 59.2 | | | 59.4 | |
| 12-month low | | 48.6 | | | 46.9 | |
| 12-month high | | 67.5 | | | 68.0 | |
| **Price objective – Pre-announcement** | | 66.0 | | | 65.8 | |
| **DCF – Worldline Consensus as of 01/31/2020** | 58.1 | | 70.1 | 68.6 | 69.2 | 69.9 |
| **DCF – Worldline Consensus as of 06/30/2020** | 50.4 | | 58.7 | 66.5 | 67.3 | 68.1 |
| **Stock market multiples as of 01/31/2020** | 60.2 | | 61.8 | 54.4 | 55.7 | 55.8 |
| **Stock market multiples as of 06/30/2020** | 57.7 | | 58.8 | 50.0 | 50.9 | 51.9 |
| **Transaction multiples** | 55.9 | | 59.9 | | - | |

The premiums for the three options comprising the Offer derived from the multi-criteria valuation of the Ingenico Share price and the Worldline Share price are as follows:

Comparison of premiums between Ledouble and *the Sponsoring Institutions*

| % | Main Offer | | Subsidiary Public Exchange Offer | | Subsidiary Public Purchase Offer | |
|---|---|---|---|---|---|---|
| | **Ledouble** | **Sponsoring Institutions** | **Ledouble** | **Sponsoring Institutions** | **Ledouble** | **Sponsoring Institutions** |
| As of 01/31/2020 | | | | | | |
| **Stock market price** | | | | | | |
| Spot | 17.5% | 17.0% | 17.6% | 17.0% | 17.1% | 17.0% |
| 1 month | 23.6% | 23.8% | 24.2% | 24.3% | 21.3% | 21.4% |
| 3 months | 18.1% | 18.4% | 16.4% | 16.8% | 25.3% | 25.3% |
| 12-month low | 111.3% | 109.4% | 99.7% | 96.3% | 162.2% | 166.6% |
| 12-month high | 22.1% | 20.4% | 23.4% | 21.8% | 16.4% | 14.3% |
| **Price objective** | | | | | | |
| Price objective – min<br>Price objective – max | 28.4% | | 29.2% | 28.6% | 24.9% | 24.7% |
| **DCF – Ingenico Management Business Plan** | | | | | | |
| DCF – min | 15.0% | | 13.0% | | 23.9% | |
| DCF – max | 10.6% | | 12.4% | | 2.3% | |
| **DCF – Brokers' consensus** | | | | | | |
| DCF – min | 25.8% | | 23.6% | 20.0% | 35.5% | 11.5% |
| DCF – max | 26.0% | | 28.1% | 19.5% | 16.6% | 9.0% |
| **Stock market multiples** | | | | | | |
| Market multiples – min | 31.3% | | 29.8% | 20.5% | 37.5% | 41.3% |
| Market multiples – max | 30.4% | | 29.6% | 17.8% | 33.7% | 34.5% |
| **Transaction multiples** | | | | | | |
| Transaction multiples – min | 18.8% | | 15.8% | | 32.1% | 41.5% |
| Transaction multiples – max | 18.0% | | 16.3% | | 25.6% | 25.5% |
| **Adjusted Net Asset Value** | | | | | | |
| Adjusted Net Asset Value – central value | | | | | 144.0% | |
| As of 06/26/2020 | | | | | | |
| **DCF – Ingenico Management Business Plan** | | | | | | |
| DCF – min | 28.4% | | 22.3% | | 54.8% | |
| DCF – max | 23.1% | | 21.2% | | 31.7% | |
| **DCF – Brokers' consensus** | | | | | | |
| DCF – min | 34.2% | | 27.9% | 30.3% | 61.9% | 22.7% |
| DCF – max | 21.7% | | 19.7% | 26.2% | 30.1% | 19.3% |
| **Stock market multiples** | | | | | | |
| Market multiples – min | 44.2% | | 41.5% | 28.0% | 56.3% | 69.3% |
| Market multiples – max | 25.1% | | 23.2% | 27.4% | 33.6% | 55.0% |

## 7.7. Valuation of OCEANE Bonds

Like the Sponsoring Institutions, we have successively presented:

- the reference to the OCEANE Bond stock market price;
- the early redemption price of OCEANE Bonds; and
- their conversion value in the context of the Offer.

The theoretical value of OCEANE Bonds calculated by the Sponsoring Institutions is based on a trinomial valuation model; we determined the theoretical value of OCEANE Bonds on an actuarial basis using the flows still outstanding for the bond component, and using a binomial model for the option component.

The results of our calculations dovetail with those of the Sponsoring Institutions.

## 8. Assessment of the impact of the Agreements and Related Transactions

We reviewed the content of the Agreements and Related Transactions, by examining the following documentation, which we have been assured constitutes the entirety of the legal *corpus* of the Transaction, and through interviews conducted with Ingenico's Management, Worldline's Management and the Advisors:

- Merger Agreement signed between Worldline and Ingenico on February 2, 2020 ("Business Combination Agreement"), including the following appended documents:
  - merger control authorizations ("Merger Control Clearances");
  - regulatory authorizations ("Regulatory Clearances");
  - principles applicable to liquidity agreements ("Liquidity Agreement Term Sheet");
  - Atos SE voting commitment signed on February 1, 2020 ("Undertakings from Atos SE");
  - SIX Group voting commitment signed on January 31, 2020 ("Undertakings from SIX Group");
  - offer contribution commitment from Bpifrance Participations signed on February 2, 2020 ("Undertaking from Bpifrance Participations");
  - press release announcing the Transaction dated February 3, 2020 ("Joint Announcement");
- Disclosure letter signed by Ingenico on February 2, 2020 ("Ingenico Disclosure Letter");
- Disclosure letter signed by Worldline on February 2, 2020 ("Worldline Disclosure Letter");
- Memorandum of agreement signed between DSV, S-Payment, Ingenico, and Worldline on February 2, 2020 ("Memorandum Of Understanding");
- Merger Agreement signed between DSV, S-Payment, Ingenico, Retail International Holding, Ingenico Payone Holding, Worldline, SIX Payment Services, and Paysquare on June 8, 2020 ("Business Combination Agreement");
- Shareholders' agreement signed between Deutscher Sparksen Verlag GmbH, S-Payment GmbH, and Ingenico SA regarding DI Deutsche Ingenico Holding GmbH (Ingenico Payone Holding GmbH) on July 25, 2018 ("Shareholder's Agreement");
- Shareholders' agreement signed between DSV, S-Payment, Ingenico, Retail International Holding, Worldline, SIX Payment Services, Paysquare, and Ingenico Payone Holding on June 8, 2020.

- Draft commercial agreement signed between DFS, S-Payment, Ingenico, Retail International Holding, Ingenico Payone Holding, Worldline, SIX Payment Services and Paysquare ("Amended and restated agreement of the cooperation agreement with Sparkassen-Finanzgruppe") dated June 8, 2020.

## 8.1. Merger Agreement

The Merger Agreement does not include:

- an earn-out payment clause;
- any elements that could undermine the equality between Ingenico shareholders.

## 8.2. Offer contribution commitments and voting commitments

The voting commitments made by Atos SE and SIX Group and the contribution commitments made by Bpifrance Participations, made via press release, refer to the terms and conditions of the Offer.

### 8.2.1. Voting commitments of Worldline shareholders

- Atos "*reiterates that it approves and supports Worldline's proposed combination with Ingenico. It will vote in favor of the resolutions necessary for the implementation of the transaction at the Worldline Shareholders' Meeting, with all the Worldline shares it will hold at that time*[227]";
- SIX said[228]: "*Worldline announced that it intends to launch a tender offer for the complete takeover of all Ingenico shares. SIX fully supports this transaction and will vote in favor of the resolutions required or appropriate for the implementation of the transaction*."

### 8.2.2. Contribution commitments of Ingenico shareholders

Bpifrance Participations announced[229] its commitment to contribute its Ingenico shares to the public offer and its intention to potentially increase its shareholding in Worldline to a level close to its participation in Ingenico with the goal of becoming a long-term reference shareholder of the company.

It was also announced that the Worldline Board of Directors would be comprised of directors representing Bpifrance, DSV and SIX Group:

- "*Bpifrance, reflecting its public support for the transaction and its intention to strengthen its medium-term interest in the new entity;*
- *DSV, to embody the strong partnership between the two groups;*

[227] Atos press release, February 4, 2020.
[228] Worldline press release, February 4, 2020 and Six Group press release, February 4, 2020
[229] Bpifrance Participations press release, February 4, 2020.

- *SIX Group, reflecting its status as the leading Worldline shareholder and the strategic dimension of this interest, subject to voting rights equal to at least 15% following completion of the transaction*".

When reviewing BPI's Contribution Commitment, we did not identify any price difference or any elements that could undermine the equality between Ingenico shareholders.

## 8.3. Liquidity contracts

Ingenico implemented several Free Share award plans between 2017 and 2020, the respective vesting periods of which are still ongoing.

The table below summarizes the main features of Ingenico's Free Share plans:

| Ingenico Free Share Plans | 2017-1 | 2017-2 | 2018-1 | 2018-2 | 2018-3 | 2019 | 2020 | TOTAL |
|---|---|---|---|---|---|---|---|---|
| Decision of the Board of Directors | 5/10/2017<br>7/26/2017 | | | 5/16/2018 | | 6/11/2019 | 6/11/2020 | |
| Decision of the Annual General Shareholders' Meeting | | 5/10/2017 | | 5/16/2018 | | | | |
| End of the vesting period | 5/10/2020<br>6/21/2020<br>8/28/2020 | 6/21/2020<br>8/28/2020 | | | 5/16/2021 | 6/11/2022 | 6/11/2023 | |
| Total number of free shares allocated (1) | 115,710 | 70,839 | 171,310 | 226,264 | 21,600 | 471,361 | 321, 232 | **1,398,316** |
| Free shares outstanding as of 12/31/2019 | 69,340 | 38,705 | 111,364 | 138,302 | 18,000 | 448,121 | n.a. | **823,832** |
| Cumul. no. of cancelled or voided shares (2) | 85,106 | 48,887 | 70,546 | 87,962 | 9,900 | 62,286 | - | **364,687** |
| No. of vested shares (3) | 14,274 | 6,152 | - | - | - | - | - | **20,426** |
| **Potential no. of vested shares as of 06/30/2020 (1) – (2) – (3)** | **16,330** | **15,800** | **100,764** | **138,302** | **11,700** | **409,075** | **321,232** | **1,013,203** |

The beneficiaries of entitlements to free shares may contribute their free shares to the Offer provided that they are definitively vested and transferable. The holders of the free shares of which the vesting period is ongoing at the closing date of the Offer will benefit from a liquidity mechanism and will be invited to conclude a liquidity agreement to this end:

> 2017 Free Share Plan

The 2017 Free Shares should be vested before the conclusion of the Offer and would therefore not be covered by the liquidity agreements.

> 2018 Free Share Plan

The performance and attendance conditions for the 2018 Free Shares will be met automatically following the change in control of Ingenico; these shares will be delivered in 2021 and eligible to profit from liquidity agreements.

> 2019 Free Share Plan

The 2019 Free Shares are subject to attendance and performance conditions[230] that are based on:

- revenue and EBITDA aggregates; these conditions were deemed to have been met by Ingenico's Board of Directors, which met on February 2, 2020; and
- the Wordline Share Price[231]

The performance shares awarded as part of the 2019 Free Share plans will be delivered in 2022 and eligible to profit from liquidity agreements.

[230]The attendance condition will apply, it being stated that, pursuant to the terms of the 2019 Free Share Plan, such condition will be automatically waived for a given beneficiary in the event of forced departure during the 18 months following the settlement/delivery date of the Offer.
[231] This condition is detailed in § 2.7.1 of the information note.

- 2020 Free Share Plan

Ingenico set up a Free Share plan in 2020 for a maximum of 400,000 Free Shares, containing a sunset clause in the event of the Offer being successful, on the settlement/delivery date of the Offer, provided that Worldline implements a replacement Worldline Free Share plan for beneficiaries of this Free Share plan who are in the group on that date, according to the following principles:

  - a vesting period expiring three years after the date of award of the Ingenico 2020 Free Share Plan;
  - attendance and performance conditions aligned with those of the Worldline Free Share plans.
  - a number of performance shares issued, for each beneficiary concerned, based on the exchange ratio of the Subsidiary Exchange Offer. The performance shares awarded under the 2020 Free Share Plan will only be eligible for liquidity agreements if they do not meet the expiry condition attached to the Ingenico 2020 Free Share Plan.

The underlying principles for the drafting of the liquidity agreement to be entered into with the beneficiaries of the Share Plans referred to in Appendix C of the Merger Agreement. A Draft Liquidity Agreement dated June 30, 2020 has been submitted to us[232]. Liquidity is ensured for the Ingenico Shares resulting from the application of the Free Share Awards Plans and for the Ingenico Shares held in the PEE and FCPE that cannot be contributed to the Offer.

- The financial terms of the liquidity agreement are as follows:
- the number of Worldline Shares issued in exchange for Ingenico Shares is determined by applying the ratio of the Subsidiary Public Exchange Offer;
- in the event of buyout or payment for fractional shares, the Worldline Share is valued on the basis of its stock market price.

The liquidity agreement provides for similar treatment to that offered to Ingenico shareholders contributing their shares to the Subsidiary Public Exchange Offer.

[232] It is not expected to be signed before the date of signature of the Report.

## 8.4. Agreements between DSV, S-Payment, Ingenico and Worldline

In the context of the Transaction and in order to strengthen the control position in Payone, a joint venture controlled by Ingenico and DSV and S-Payment shareholders, the following agreements were concluded:

- a memorandum of understanding[233] on February 2, 2020 between DSV, S-Payment, Ingenico and Worldline;
- merger agreement signed between DSV, S-Payment, Ingenico, Retail International Holding, Ingenico Payone Holding, Worldline, SIX Payment Services, and Paysquare on June 8, 2020.

The partnership agreement provides for the contribution by Worldline of its Merchant Services activities in Germany and Austria to the joint venture[234]; as compensation for the contribution, the joint venture will issue new shares.

The breakdown of capital and voting rights of the joint venture will therefore be as follows:

- Worldline: 16.67%;
- Retail International Holding S.A.S.: : 43.33%;
- DSV: 14.28%;
- S-Payment: 25.72%.

The principles of the commercial and governance agreements initially established between Ingenico, DSV and S-Payment remain largely unchanged, in particular the shareholders' agreement concluded between Ingenico, DSV and S-Payment[235]. However, a new[236] shareholders' agreement has been concluded between DSV, S-Payment, Ingenico, Retail International Holding, Worldline, SIX Payment Services and Paysquare and Ingenico Payone Holding; a new commercial agreement will be concluded at the time of completion in order to extend international business development.

These agreements involve high valuation multiples, in line with the most recent transactions in the Retail sector selected for our Ingenico Share valuation (§ 4.6.2). They reflect Worldline's desire to focus on a long-term partnership with the German savings banks sector.

## 8.5. Summary

In summary, we did not identify any provisions in the Agreements and Related Transactions that may harm the interests of Ingenico shareholders or OCEANE bondholders whose securities are impacted by the Offer.

[233] *Memorandum of Understanding*.
[234] Worldline's Merchant Services activities in Switzerland are excluded from the agreement.
[235] Dated July 25, 2018 (amended on July 7, 2018).
[236] Dated June 8, 2020.

## 9. Perception of the offer by non-controlling shareholders

We have not received any letter from non-controlling shareholders, and none has been notified by either Ingenico or Wordline Management.

# 10. Conclusion

At the end of our evaluation regarding the public offer initiated by Worldline on Ingenico Shares, we are able to conclude on the fairness of the terms of:

- the Main Offer comprising an option in Worldline securities and a cash option based on an exchange parity of 11 Worldline Shares plus an amount of €160.50 for seven Ingenico Shares respectively;

- the Subsidiary Public Exchange Offer in Worldline securities based on an exchange parity of 56 Worldline Shares for 29 Ingenico Shares.

We are also able to conclude, with a view to a mandatory buyout, on the fairness of the terms of the Subsidiary Public Purchase Offer for a Subsidiary Purchase Offer Price of €123.10 per Ingenico Share.

With regard to the public offer initiated by Worldline on OCEANE Bonds, we are of the opinion that:

- the OCEANE Bond Combined Offer based on an exchange parity of four Worldline Shares and €998 for seven OCEANE Bonds respectively, i.e., an offer price of €179 per OCEANE Bond, is fair from a financial point of view for OCEANE bondholders.

- from a financial point of view, the OCEANE Bond Cash Offer for a price of €179 for each OCEANE Bond is fair for OCEANE bondholders with a view to a mandatory buyout.

We have not identified any provisions in the Agreements and Related Transactions that are likely to harm the interests of Ingenico shareholders and OCEANE bondholders whose securities are the object of the Offer.

Paris, July 6, 2020

Ledouble SAS

Agnès Piniot
Chair, Partner

Stéphanie Guillaumin
Partner

# ANNEXES

# ANNEX 1: ENGAGEMENT LETTER

In accordance with Article 262-1 of the AMF General Regulations

[Ingenico letterhead]
(the "Company")

Ledouble Consultancy
For the attention of Agnès
Piniot and Stéphanie Guillaumin
8, rue Halévy
75009 PARIS

Paris, on March [...], 2020

You will recall that, at its meeting on February 2, 2020[237], the Board of Directors of Ingenico, on the recommendation of the Ad Hoc Committee, decided to appoint the consultancy firm Ledouble SAS ("Ledouble"), in the context of the draft public offer for all the Company's shares (the "Shares") and bonds convertible into and/or exchangeable for new and/or existing shares (the "OCEANE Bonds") submitted by Worldline, a société anonyme (public limited company) the head office of which is located at 80 Quai Voltaire, River Ouest, Bezons (95870), France, registered with the Pontoise Trade and Companies Register under No 378 901 946 ("Worldline"), and announced on February 3, 2020 (the "Public Offer").

The main terms of the Public Offer are as follows (taking into account the distribution of a dividend of €1.20[238] per Share, as announced on February 25, 2020):

- a "mix and match" offer on the Shares, consisting of:
    - a main offer (the "Main Offer") comprising a Worldline securities option and a cash option based on an exchange parity of 11 Worldline shares plus an amount of €152.1 for 7 Shares (the "Main Offer Price");
    - a secondary exchange offer (the "Secondary Exchange Offer") of Worldline securities on the basis of an exchange parity of 109 Worldline

[237] Prior to the entry into force of the amendments to the French Financial Markets Authority (AMF) directive 2006-08 relating to independent valuations, which entered into force on February 10, 2020.
[238] Subject to the approval of Ingenico's Annual General Shareholders' Meeting scheduled to take place on May 26, 2020.

shares for 57 Shares (the "Exchange Parity");

- a secondary purchase offer (the "Secondary Purchase Offer") for a price of €121.90 per Share (the "Secondary Purchase Offer Price").

The Main Offer Price and the Secondary Takeover Bid Price are hereinafter referred to as the "Offer Prices".

A reduction mechanism ("Mix and Match" mechanism) is planned such that the proportion of Worldline shares and cash received by Ingenico shareholders contributing their shares as part of the Secondary Takeover Bid and the Secondary Exchange Offer is equal to the proportion of Worldline shares and cash offered in the Main Offer.

- an offer on OCEANE Bonds comprising:
  - a cash offer at a price of €179 for each OCEANE bond (the "OCEANE Bond Offer Price");
  - A combined offer of 4 Worldline shares and €998 in cash for 7 OCEANE bonds contributed, i.e., an offer price of €179 per OCEANE Bond as of January 31, 2020 (the "OCEANE Bond Exchange Parity").

The appointment of Ledouble by the Board of Directors on the recommendation of the Ad Hoc Committee was made on the basis of Articles 261-I-4 and 5 and 261-II, given:

- The conclusion on February 2, 2020 of a Memorandum of Understanding between Worldline on the one hand and Deutscher Sparkassen Verlag GmbH and S-Payment GmbH (referred to jointly as "DSV", a shareholder in Ingenico's subsidiary, Payone GmbH) on the other;

- The fact that various categories of securities are involved, namely Shares and OCEANE Bonds.

It is also stated that, as part of the Business Combination Agreement concluded between Ingenico and Worldline on February 2, 2020, Worldline undertook to propose, under certain conditions, a liquidity agreement to the beneficiaries of free share awards during the vesting period.

Finally, it is recalled that Worldline and Bpifrance Participations entered into a contribution commitment in connection with the Draft Public Offer, under the terms of which Bpifrance Participations undertook to contribute to the Public Offer its interest in Ingenico, under the conditions set out in the contribution commitment.

The Transaction is expected to be carried out during the 3rd quarter of 2020. As such, your task should be completed, subject to the availability of all the required information, by June/July 2020. An update based on an initial draft report will be carried out in May 2020.

Further to discussions with the Ad Hoc Committee, we confirm that the terms and conditions of your assignment agreed by the Board of Directors and the Ad Hoc Committee will be to provide an opinion on the fairness of the Public Offer and to assess, in particular:

- the fairness of the Offer Prices and Exchange Parity with a view to a potential mandatory buyout;
- the fairness of the OCEANE Bond Offer Price and OCEANE Bond Exchange Parity with a view to a potential mandatory buyout; and
- the absence of any elements in the agreements related to the Offer that may harm the interests of Ingenico's non-controlling shareholders.

Your assignment must be carried out in accordance with the applicable regulations and in particular in accordance with the provisions of the General Regulations of the French Financial Markets Authority (the "AMF") and AMF Instruction 2006-08, supplemented by AMF Recommendation 2006-15.

In particular, your tasks will include:

- multi-criteria evaluations of Ingenico and Worldline;
- an analysis of parity between the two companies;
- a determination of the value of Ingenico's OCEANE Bonds;
- an examination of the appraisal report of the bank sponsoring the Public Offer;
- an examination of the impact of related (or concurrent) agreements on the appraisal of the terms of the Public Offer.

In this regard, you should also carry out a sector analysis of Ingenico and Worldline, analyze the accounting data and business plans of Ingenico and Worldline and the synergies identified in relation to the transaction (€250 million).

You should also report on your assessment of any written comments that may be received from shareholders.

In accordance with Article 261-1 III and AMF Recommendation 2006-15, your work will be monitored by the Ad Hoc Committee, with which regular update meetings will be organized and which approved the content of this letter.

The Company's teams, as well as its advisors, Goldman Sachs, Rothschild & Co, and the firm Bredin Prat, are at your disposal for any information you may request.

* * *

Yours faithfully,

________________

[Nicolas Huss

Chief Executive Officer]

## ANNEX 2: WORK PROGRAM AND COMPENSATION OF LEDOUBLE

- Preliminary work and review
  - Press review
  - Desk research
  - Analysis of the Transaction and its legal framework
  - Study of the historical development of the price of Ingenico Shares and Worldline Shares
  - Documentary requests
- Valuation work
  - Review of the historical results, financial structure, and significant events of Ingenico Group and Worldline Group
  - Researching sectoral and financial information in databases
  - Creation of a panel of comparable companies
  - Researching comparable transactions
  - Study of the debt structure of Ingenico Group and Worldline Group
  - Detailed analysis of the Ingenico Group business plan
  - Development and extrapolation of a business plan for Ingenico Group and Worldline Group based on the consensus of the analysts responsible for their monitoring
  - Multi-criteria valuation of Ingenico Shares and Worldline Shares
  - Assessment of the premiums incurred through the Offer Price and Exchange Parity by referring to the multi-criteria valuation Ordinary Shares
  - Multi-criteria valuation of OCEANE Bonds
  - Assessment of the premiums incurred through the OCEANE Bond Offer Price and OCEANE Bond Exchange Parity by referring to the multi-criteria valuation of OCEANE Bonds and Worldline Shares
- Return of work and administration
  - Drafting the engagement letter
  - Meetings and communication with the Ad Hoc Committee
  - Proposal for a representation letter from Ingenico's Management and Worldline's Management
  - Drafting the Independent Expert Report
  - Administration and supervision of the Brief
- Compensation

The amount of fees charged by Ledouble is €525,000, excluding taxes.

# ANNEX 3: MAIN STAGES OF THE APPRAISAL

- February 2020
    - Appointment of Independent Expert by the Board of Directors
    - Meetings with Management, Advisors, and the Ad-Hoc Committee
    - Review of public information relating to Ingenico Group and Worldline Group
    - Review of the Transaction's legal framework
    - Documentary requests
- March 2020
    - Meetings with Ingenico Management, Worldline Management, Advisors, and the Ad-Hoc Committee
    - Drafting and presentation of the engagement letter
    - Analysis of the accounting and financial information of Ingenico Group and Worldline Group
    - Researching sectoral and financial information in databases
    - Review of ratings made by analysts responsible for monitoring Ingenico Shares and Worldline Shares prior to the announcement of the Transaction
    - Development of an Ingenico business plan and a Worldline business plan based on the forecasts of financial analysts
    - Detailed review of Ingenico Management's Business Plan
    - Creation of a panel of comparable listed companies
    - Researching reference transactions
    - Detailed analysis of the development of the stock market price of Ingenico Shares and Worldline Shares
    - Additional documentary requests
- April 2020
    - Meetings with Ingenico Management, Worldline Management, Advisors, and the Ad-Hoc Committee
    - Update of documentary requests
    - Finalization of sector study from our databases and documentary sources
    - Finalization of modeling of Ingenico Management's Business Plan and of Ingenico Consensus and Worldline Consensus business plans on the Transaction announcement date

- Multi-criteria valuation of Ingenico Shares and Worldline Shares on the Transaction announcement date
- Multi-criteria valuation of OCEANE Bonds
- Review of the ratings of the analysts responsible for monitoring the Ingenico and Worldline Shares following the publication of the results from the first quarter of 2020
- Preparation of the draft Report

› May 2020

- Meetings with Ingenico Management, Advisors, and the Ad-Hoc Committee
- Update of documentary requests
- Analysis of Related Agreements and Transactions
- Continuation of the multi-criteria valuation of Ingenico Shares and Worldline Shares on the Transaction announcement date
- Modeling Ingenico Management's Business Plan, and Ingenico Consensus and Worldline Consensus business plans following the impact of COVID-19
- Multi-criteria valuation of Ingenico Shares and Worldline Shares following the impact of COVID-19
- Finalization of the multi-criteria valuation of OCEANE Bonds
- Drawing up the draft Report
- Review of the Initiator's draft initiation memorandum
- Quality review

› June 2020

- Communication with Ingenico Management, Worldline Management, Advisors, and the Ad-Hoc Committee
- Telephone interview with the AMF
- Review of the Sponsoring Institutions' report
- Review of the draft initiation memorandum in response to the Target
- Finalization of the draft Report
- Quality review
- Presentation of the draft Report to the Ad-Hoc Committee

July 2020

- Communication with Ingenico Management, Worldline Management, Advisors, and the *Ad-Hoc* Committee

- Raising the final outstanding points
- Finalization of the draft Report
- Quality review
- Presentation of the Report to the Ad-Hoc Committee
- Presentation of the Report to the Board of Directors before the draft Offer is submitted to the AMF

# ANNEX 4: LEDOUBLE'S CONTACTS

## Companies

**Ingenico**

| | |
|---|---|
| Nicolas Huss | *CEO* |
| Michel-Alain Proch | *CFO* |
| Vincent Bron | *VP Finance – Controlling & Accounting* |
| Stéphanie Fougou | *Group General Counsel* |
| Pascale Abdelli | *Head of Corporate Governance* |
| Gregory Lambertie | *SVP Corporate Strategy and M&A* |
| Pierre-Emmanuel Degermann | *M&A Director* |
| Kevin Papelard | *M&A Manager* |
| Edouard Billion | *Corporate Strategy Director* |
| Fabien Briotet | *Consolidation Manager* |

**Ingenico – Members of the Ad-Hoc Committee**

- Bernard Bourigeaud
- Caroline Parot
- Agnès Audier
- Thierry Sommelet
- Xavier Moreno

**Worldline**

| | |
|---|---|
| Olivier Kuhn | *Head of M&A* |
| François-Régis Robert | *Deputy Head of M&A* |
| David Pierre-Khan | *Head of IR* |
| Laurent Delaleau | *Consolidation Manager* |

## Advisors to Ingenico

**Bredin Prat**

| | |
|---|---|
| Benjamin Kanovitch | *Partner* |
| Clémence Fallet | *Partner* |
| Thomas Sharps | *Associate* |

***Rothschild & Cie***

| | |
|---|---|
| Cyrille Harfouche | *Partner* |
| Pierre-Victor Saponaro | *Director* |
| Anne Trillat | *Assistant Director* |
| Nicolas Soupre | *Associate* |
| Leonardo Simonini | *Analyst* |

***Goldman Sachs Paris Inc. et Cie***

| | |
|---|---|
| Adrien Ollat | *Executive Director* |
| Matthieu Carnec | *Associate* |
| Keria Ouk | *Analyst* |

## Advisors to Worldline

***Cleary Gottlieb Steen & Hamilton***

| | |
|---|---|
| Marie-Laurence Tibi | *Partner* |
| Rodolphe Elineau | *Partner* |

***Morgan Stanley***

| | |
|---|---|
| Yves Ayache | *Managing Director* |
| Frédéric Proust | *Managing Director* |
| Thomas Contenay | *Executive Director* |
| Seif Messoussi | *Vice President* |

## Sponsoring Institutions

***Morgan Stanley***

| | |
|---|---|
| Yves Ayache | *Managing Director* |
| Frédéric Proust | *Managing Director* |
| Thomas Contenay | *Executive Director* |
| Seif Messoussi | *Vice President* |

# ANNEX 5: MAIN SOURCES OF INFORMATION USED

**Documentation relating to the Offer**

***Legal information***

- Shareholders' agreement signed on July 25, 2018 between Deutscher Sparksen Verlag GmbH, S-Payment GmbH, and Ingenico SA regarding DI Deutsche Ingenico Holding GmbH (Ingenico Payone Holding GmbH) ("Shareholders' Agreement")
- Confidentiality agreement dated November 4, 2019 *("Confidentiality Agreement")*
- Merger Agreement signed on February 2, 2020 between Worldline and Ingenico on ("Business Combination Agreement") and its annexes:
  - Merger control authorizations ("Merger Control Clearances")
  - Regulatory authorizations ("Regulatory Clearances")
  - Principles applicable to liquidity agreements ("Liquidity Agreement Term Sheet")
  - Atos SE voting commitment signed on February 1, 2020 ("Undertakings from Atos SE")
  - SIX Group voting commitment signed on January 31, 2020 ("Undertakings from SIX Group")
  - Offer contribution commitment from Bpifrance Participations signed on February 2, 2020 ("Undertaking from Bpifrance Participations")
  - Draft press release dated February 3, 2020 announcing the Transaction ("Joint Announcement")
- Disclosure letter signed by Ingenico on February 2, 2020 ("Ingenico Disclosure Letter")
- Disclosure letter signed by Worldline on February 2, 2020 ("Worldline Disclosure Letter")
- Memorandum of agreement signed on February 2, 2020 between DSV, S-Payment, Ingenico, and Worldline ("Memorandum of Understanding")
- Minutes of the meeting of the Board of Directors dated February 2, 2020[239]
- Merger agreement signed on June 8, 2020 between DSV, S-Payment, Ingenico, Retail International Holding, Ingenico Payone Holding, Worldline, SIX Payment Services, and Paysquare ("Business Combination Agreement")
- Shareholders' agreement signed on June 8, 2020 between DSV, S-Payment, Ingenico, Retail International Holding, Worldline, SIX Payment Services, Paysquare, and Ingenico Payone Holding

[239] Approval of the public offer from Worldline by the Board of Directors of Ingenico; appointment of Ledouble as an Independent Expert.

- Draft commercial agreement dated June 8, 2020 between DFS, S-Payment, Ingenico, Retail International Holding, Ingenico Payone Holding, Worldline, SIX Payment Services and Paysquare ("Amended and restated agreement of the cooperation agreement with Sparkassen-Finanzgruppe")
- Draft of the Liquidity Agreement to be signed dated June 8, 2020 between Worldline, and beneficiaries ("Liquidity Agreement")
- Draft initiation memorandum drawn up on June 30, 2020
- Draft initiation memorandum in response drawn up on June 30, 2020
- Credit facility agreement within the scope of financing of the Offer by Worldline

***<u>Financial and tax information</u>***

- Ingenico Due Diligence, December 2019 and January 2020
- Worldline Due Diligence, January 21, 2020
- Valuation report of the Sponsoring Institutions "Acquisition of Ingenico by Worldline, Valuation Report," June 2020

### Documentation relating to Ingenico

***<u>Legal documentation</u>***

- Kbis (French trade register) extract (February 12, 2020)
- Articles of Association (July 25, 2019)
- Group Organizational Chart (January 28, 2020)
- Shareholding status (December 31, 2019)
- Minutes of the meetings of the Board of Directors (2018 to 2020)[240]
- Minutes of the General Meetings (2018 to 2020)
- Statement of liens and pledges (March 3, 2020)
- Updated liquidity contract signed between Ingenico and Rothschild Martin Maurel (January 25, 2019)
- Litigation and dispute disclosure
- Documentation related to issuing OCEANE Bonds

***<u>Financial information</u>***

- Annual registration document (2019) and Universal registration document (2018)
- Annual financial reports (2015 to 2019)
- Statements on accounts, results, and revenue (2015 to 2020)

[240] Last minutes reviewed dated June 11, 2020.

- Statements for the permanent reporting obligation (2015 to 2019)
- 2020 Budget
- Ingenico Management's Business Plan 2020–2022
- Business Plan underpinning the impairment tests (2018 and 2019)
- Analysts' ratings (October 22, 2019 to April 28, 2020)
- Result and financial debt predications as at June 30, 2020

## Documentation relating to Worldline

***Legal documentation***

- Kbis (French trade register) extract (February 7, 2020)
- Articles of Association (December 31, 2019)
- Statement of liens and pledges (February 21, 2020)

***Financial information***

- Annual registration document (2019) and Universal registration document (2018)
- Annual financial reports (2015 to 2019)
- Statements on accounts, results, and revenue (2015 to 2020)
- Statements for the permanent reporting obligation (2015 to 2019)
- Published 2021 guidance
- Analysts' ratings (October 23, 2019 to April 27, 2020)

## Sector documentation

- Ratings of analysts responsible for monitoring Ingenico and Worldline Shares
- Banque de France, 2018 Annual Report from the Observatoire de la Sécurité des moyens de paiement, July 2019
- Boston Consulting Group, Global payments 2019, September 2019
- Capgemini, World payment report 2019, September 2019
- J.P. Morgan, "Primed for payments," September 2019
- Mc Kinsey, Global payment report 2019, September 2019
- The Nilson Report, 2019
- Société Générale Cross Asset Research, Payment market, September 26, 2019

## Information sites

***Parties involved in the Transaction***

- Ingenico, http://ingenico.com/fr
- Worldline, http://worldline.com

***Comparable listed companies***

- Fidelity National Info Services, https://www.fisglobal.com/
- FISERV, https://www.fiserv.com/

- Global Payments, https://www.globalpaymentsinc.com/
- Wirecard, http://fr.wirecard.com/en/
- Nexi, https://www.nexi.it/
- Evo Payments, https://evopayments.com/
- Diebold Nixdorf, https://www.dieboldnixdorf.com/en-us
- NCR, https://www.ncr.com/

***Other sites***

- AMF, http://www.amf-france.org/
- Banque de France, https://www.banque-france.fr/
- CNO, http://www.cnofrance.org/
- IMF, https://www.imf.org/

***Databases***

- Bloomberg
- S&P Capital IQ
- Mergermarket

# ANNEX 6: COMPOSITION OF THE LEDOUBLE TEAM

Ledouble is a firm specializing in financial expertise. As such, it has carried out numerous assignments as an independent expert, particularly in the context of public offers. The main independent financial analysis and consultancy assignments undertaken in this field over the most recent period (2014 to 2020) are featured in Annex 7.

Ledouble is a founding member of the French Professional Association of Independent Experts (APEI), a professional association authorized by the AMF in accordance with Article 263-1 of its General Regulations and the French Society of Appraisers (SFEV), and follows the professional ethical rules set out on its website: http://www.ledouble.fr/

Members of the Ledouble team who regularly conduct independent consultancy and valuation assignments.

- **Agnès Piniot, Partner, President of Ledouble**
  - Chartered accountant and statutory auditor
  - Expert at the Paris Court of Appeal
  - Postgraduate Degree in Accounting and Auditing (MSTCF) from Paris IX-Dauphine
  - Member of the APEI and SFEV
  - Member of the "Contributions and Mergers Valuation" Committee of the French National Institute of Statutory Auditors (CNCC)
  - Member of the French National Association of Financial and Management Control Directors (DFCG)

- **Stéphanie Guillaumin, Partner**
  - Graduate of Toulouse Business School (Banking and Financial Markets)
  - Holder of a Postgraduate Degree in Money and Finance from the Paris Ouest Nanterre La Défense University
  - CIIA (Certified International Investment Analyst) – SFAF (French Society of Financial Analysts)
  - Member of the professional association of independent experts (APEI) and the French society of valuers (SFEV)

- **Marjory Bruchon, CFA, Brief Leader**
  - Grenoble IAE – Master's degree in Corporate Finance and Markets
  - Member of the CFA Society France
  - Member of the French society of valuers (SFEV)

- **Maximilien Tristant, Brief Leader**
  - European Business School – Master's in Finance
  - Member of the French society of valuers (SFEV)

- **Vincent Guezenec, Analyst**
  - EM Lyon Business School – Specialized master's in Financial Engineering

- **Inès Meflah, Analyst**
  - NEOMA Business School – Master's in Corporate Finance

-=-

- **Olivier Crette, Partner**

Olivier Crette was not directly involved in the work carried out in the context of the consultancy; he acted as an internal quality controller at Ledouble in accordance with Article 3-12 of AMF Instruction 2006-08, and with the principles detailed in **Annex 11.**

- Chartered accountant and statutory auditor
- EM Lyon Business School, PhD in Management Sciences
- Member of the APEI Management Committee
- Member of the French society of valuers (SFEV)
- Member of the Professional Standards Committee of the French National Organization of Statutory Auditors (CNCC)
- Member of the Valuation Committee of the French National Association of Financial Management Control Directors (DFCG)
- Associate Professor at the French National Conservatory of Arts and Crafts (CNAM)

The members of the Ledouble team spent approximately 2,400 hours completing this brief.

# ANNEX 7: FINANCIAL CONSULTANCY UNDERTAKEN BY LEDOUBLE[241]

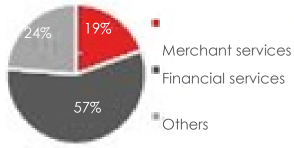
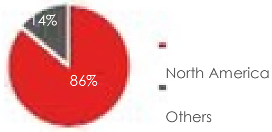
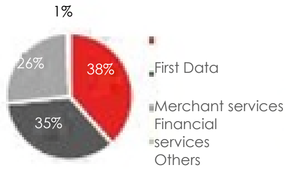
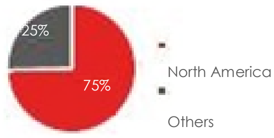
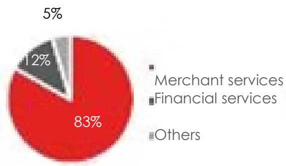
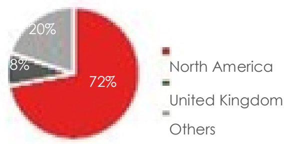
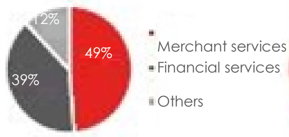
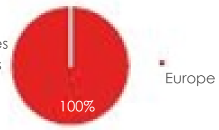
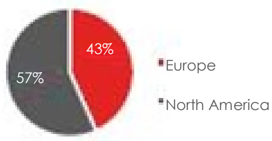
| Year | Company | Sponsoring Institution |
|---|---|---|
| 2019 | Terreïs | Goldman Sachs Paris et Cie, Natixis |
| 2019 | MBWS | * |
| 2019 | Selectirente | Rothschild Martin Maurel |
| 2019 | Locindus | Natixis |
| 2018 | Baccarat | Société Générale |
| 2018 | Aufeminin (2) | Rothschild |
| 2018 | Direct Energie | Lazard Frères Banque, Société Générale CIB |
| 2018 | Altamir | CA-CIB |
| 2018 | Spir Communication | Kepler Cheuvreux |
| 2018 | Business & Decision | Portzamparc – BNP Paribas Group |
| 2018 | Aufeminin | Rothschild |
| 2018 | A2micile | Swiss Life Banque Privée |
| 2017 | Assystem | CA-CIB, BNP Paribas, Société Générale |
| 2017 | CGG | * |
| 2017 | Eurosic | Deutsche Bank, Natixis |
| 2017 | Etam Développement | Natixis, Rothschild |
| 2016 | Radiall | Oddo Corporate Finance |
| 2016 | Octo Technology | Société Générale |
| 2016 | Maurel et Prom | Crédit Agricole |
| 2016 | Tronics Microsystems | Kepler Cheuvreux |
| 2016 | Medtech | BNP Paribas |
| 2016 | Cegid | Natixis |
| 2016 | Technofan | Banque Degroof Petercam France |
| 2016 | Cegereal | JP Morgan |
| 2015 | Leguide.com | Natixis |
| 2015 | Norbert Dentressangle | Morgan Stanley |
| 2015 | Latécoère | * |
| 2015 | Linedata Services | Banque Degroof, HSBC, Natixis |
| 2015 | Euro Disney SCA | BNP Paribas |
| 2014 | Euro Disney SCA | * |
| 2014 | Siic de Paris | Natixis |
| 2014 | Bull | Rothschild |

*: *Reserved capital increase*

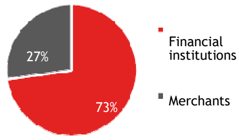
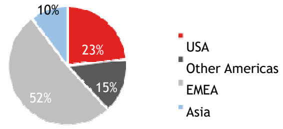
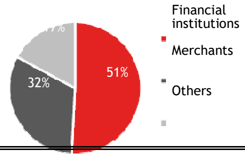
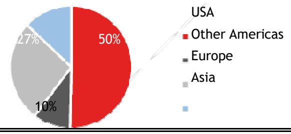
[241] Since 2014.

# ANNEX 8: PRESENTATION OF COMPARABLE LISTED COMPANIES

## › Retail

| Company | Country | Description | Market Cap. | Revenue 2019 (€M) | Distribution of revenue by business | Distribution of revenue by geographical area |
|---|---|---|---|---|---|---|
| **FIDELITY NATIONAL INFO SERVICES** | U.S. | Founded in 1968, FIS is a supplier of technology solutions, payment card issuing services and transaction management procedures.<br><br>FIS acquired online payment company Worldpay in May 2019 for $38.3 billion. | 75,921 | 10,217 |  |  |
| **FISERV** | U.S. | Founded in 1984, FISERV is a company specializing in the development and integration of IT solutions for the finance and insurance sectors.<br><br>Fiserv acquired payment processing company First Data in January 2019 for $36.1 billion. | 61,855 | 9,101 |  |  |
| **GLOBAL PAYMENTS** | U.S. | Founded in 2000, Global Payments is a company specializing in the design and development of payment solutions and services.<br><br>It recently diversified into payment services with the acquisition of TSYS in May 2019 for $23.5 billion. | 47,876 | 4,388 |  |  |
| **NEXI** | Italy | Founded in 2017, Nexi, formerly "Instituto centrale delle branche popolari italiane", specializes in the development of payment solutions and merchant services and the management of payment cards and online payments. | 9,302 | 1,642 |  |  |
| **EVO Payments** | U.S. | Founded in 1989, EVO Payments is a provider of payment acquisition and processing services. | 1,727 | 434 |  |  |

## B&A

| Company | Country | Description | Market Cap. | Revenue 2019 (€M) | Distribution of revenue by business | Distribution of revenue by geographical area |
|---|---|---|---|---|---|---|
| Diebold Nixdorf | U.S. | Formed from the merger between Diebold and Wincor Nixdorf, Diebold Nixdorf is a company specializing in the construction and sale of ATMs and cash registers . Diebold Nixdorf provides commercial services, software and related technologies. | 398 | 3,939 |  |  |
| NCR | U.S. | Founded in 1884, NCR is a software and service provider in the finance, retail, hospitality, telecommunications and technology sectors. The company offers a range of solutions, including software, advisory and consulting services, IT equipment, support and managed services. | 2,151 | 6,178 |  |  |

# ANNEX 9: PERFORMANCE OF COMPARABLE COMPANIES

## B&A

### As of January 31, 2020

Comparable listed companies - B&A

| Company | 1m cap. (€M) | Revenue growth | | | % EBITDA | | | % EBIT | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan. 31, 2020 | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e |
| NCR CORPORATION | 3,996 | 8.0% | (1.0%) | 2.6% | 15.6% | 15.8% | 15.8% | 8.8% | 9.6% | 10.3% |
| DIEBOLD NIXDORF INC | 786 | (3.7%) | (3.1%) | 1,0% | 7.0% | 10.3% | 11.2% | (0.6%) | n.a. | n.a. |
| **Median** | **2,391** | **2.1%** | **(2.1)%** | **1.8%** | **11.3%** | **13.0%** | **13.5%** | **4.1%** | **9.6%** | **10.3%** |
| **Average** | **2,391** | **2.1%** | **(2.1)%** | **1.8%** | **11.3%** | **13.0%** | **13.5%** | **4.1%** | **9.6%** | **10.3%** |

*Source: Bloomberg*

### As of June 26, 2020

Comparable listed companies - B&A

| Company | 1m cap. (€M) | Revenue growth | | | % EBITDA | | | % EBIT | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr. 30, 2020 | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e |
| NCR CORPORATION | 2,151 | 8.0% | (9.8%) | 6.3% | 15,6% | 13.5% | 15.1% | 8.8% | 6.8% | 8.5% |
| DIEBOLD NIXDORF INC | 398 | (3.7%) | (13.7%) | 8.7% | 7.0% | 10.0% | 11.3% | (0.6%) | n.a. | n.a. |
| **Median** | **1,275** | **2.1%** | **(11.8%)** | **7.5%** | **11.3%** | **11.7%** | **13.2%** | **4.1%** | **6.8%** | **8.5%** |
| **Average** | **1,275** | **2.1%** | **(11.8%)** | **7.5%** | **11.3%** | **11.7%** | **13.2%** | **4.1%** | **6.8%** | **8.5%** |

*Source: Bloomberg*

## Retail

### As of January 31, 2020

Comparable listed companies - Retail

| Company | 1m cap. (€M) | Revenue growth | | | % EBITDA | | | % EBIT | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan. 31, 2020 | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e |
| FIDELITY NATIONAL INFO SERV | 79,790 | 22.7% | 31.2% | 7.8% | 34.4% | 44.4% | 46.8% | 9.4% | 25.6% | 30.1% |
| FISERV INC | 72,737 | 74.9% | 53.6% | 6.2% | 33.5% | 36.9% | 38.2% | 15.8% | 25.7% | 29.5% |
| GLOBAL PAYMENTS INC | 52,387 | 45.9% | 77.0% | 7.2% | 35.4% | 40.6% | 43.0% | 16.1% | 36.0% | 38.8% |
| NEXI SPA | 7,942 | 73.5% | (31.5%) | 8.8% | 23.2% | n.a. | n.a. | 13.7% | n.a. | n.a. |
| EVO PAYMENTS INC-CLASS A | 2,052 | (14.0%) | 33.3% | 9.1% | 24.8% | 27.2% | 27.9% | 3.4% | 9.1% | 11.1% |
| **Median** | **33,867** | **40.0%** | **32.2%** | **8.3%** | **31.3%** | **36.9%** | **38.2%** | **14.7%** | **25.7%** | **29.5%** |
| **Average** | **38,376** | **39.5%** | **32.0%** | **11.0%** | **30.1%** | **36.0%** | **37.4%** | **13.8%** | **24.6%** | **27.3%** |

*Source: Bloomberg*

### As of June 26, 2020

Comparable listed companies - Retail

| Company | 1m cap. (€M) | Revenue growth | | | % EBITDA | | | % EBIT | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr. 30, 2020 | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e | 2019e | 2020e | 2021e |
| FIDELITY NATIONAL INFO SERV | 75,921 | 22.7% | 19.7% | 9.0% | 34.4% | 42.2% | 44.8% | 9.4% | 33.6% | 21.5% |
| FISERV INC | 61,855 | 74.9% | 38.5% | 7.2% | 33.5% | 40.1% | 41.7% | 15.8% | 30.4% | 26.8% |
| GLOBAL PAYMENTS INC | 47,876 | 45.9% | 33.8% | 15.1% | 35.4% | 46.2% | 47.9% | 16.1% | 42.7% | 44.7% |
| NEXI SPA | 9,302 | 73.5% | (37.1%) | 8.7% | 23.2% | 58.9% | 63.1% | 13.7% | 39.3% | 42.4% |
| EVO PAYMENTS INC-CLASS A | 1,727 | (14.0%) | (12.5%) | 16.2% | 24.8% | 31.2% | 32.8% | 3.4% | 11.8% | 15.2% |
| **Median** | **28,589** | **40.0%** | **22.3%** | **12.1%** | **31.3%** | **41.2%** | **43.2%** | **14.7%** | **32.0%** | **26.9%** |
| **Average** | **34,239** | **39.5%** | **11.2%** | **13.9%** | **30.1%** | **41.4%** | **43.5%** | **13.8%** | **30.6%** | **29.6%** |

*Source: Bloomberg*

# ANNEX 10: TRANSACTION MULTIPLES

## B&A

| Date of Announcement | Target | Country (target) | Acquirer | % acquired | EV/EBITDA NTM |
|---|---|---|---|---|---|
| 4/9/2018 | Verifone Systems | USA | Francisco Partners | 100% | 10.3x |
| 9/24/2015 | Wincor Nixdorf | Germany | Diebold | 69% | 6.8x |
| **Average/Median** | | | | | 8.6x |

*Source: Mergermarket*

## Retail

| Date of Announcement | Target | Country (target) | Acquirer | % acquired | EV/EBITDA (LTM) |
|---|---|---|---|---|---|
| 5/27/2019 | Total System Services, Inc. | U.S. | Global payments Inc. | 100% | 19.13x |
| 5/22/2019 | SafeCharge International Group Ltd | Guernsey | Nuvei Corporation | 100% | 20.68x |
| 3/17/2019 | Worldpay, Inc. | U.S. | Fidelity National Information Services, Inc. | 100% | 22.89x |
| 12/10/2018 | First Data Corporation | U.S. | Fiserv, Inc. | 100% | 12.63x |
| 5/15/2018 | SIX Payment Services AG | Switzerland | Worldline S.A. | 100% | 20.60x |
| 9/25/2017 | Nets A/S | Denmark | Advent International Corporation; Hellman & Friedman LLC; GIC Special Investments Pte. Ltd.; Sampo Oyj; Fisher Lynch Capital, LLC; StepStone Group LP; Bain Capital Private Equity (Europe), LLP | 100% | 14.23x |
| 7/21/2017 | Paysafe Group Plc (nka: Paysafe Group Ltd) | Great Britain | CVC Capital Partners Limited; The Blackstone Group L.P. (nka: The Blackstone Group Inc.) | 100% | 13.96x |
| 7/5/2017 | Worldpay Group plc (nka: Worldpay Group Ltd) | Great Britain | Vantiv, Inc. (nka: Worldpay, Inc.) | 100% | 19.08x |
| 7/20/2017 | Bambora | Sweden | Ingenico Group - GCS | 100% | 35.57x |
| 5/26/2017 | CardConnect Corp. | U.S. | First Data Corporation | 100% | 18.85x |
| Median | | | | | 19.1x |
| Average | | | | | 19.8x |

*Source: Mergermarket*

# ANNEX 11: PRINCIPLES OF THE QUALITY REVIEW

Article 3-12 of AMF Instruction 2006-08 stipulates that the expert report must include "*a description of the mission, role and duties performed by the individual responsible for the quality review of the expert report, as well as a description of the guarantees of independence from which this individual benefits*".

In this case, the quality controller:

- was not directly involved in the implementation of the Mission and acted entirely independently of the two signatories to the Report and the other members of the Ledouble team;
- was consulted at the time of Mission acceptance with regard to the independence of Ledouble as well as its own independence;
- intervened from the beginning of May 2020 in order to:

▪ validate the structure of the Report and evaluate its consistency with the scope of the Mission as defined in the mission statement of the Ingenico Group (see **Annex 1**);
▪ examine the points raised by Ledouble;
▪ ensure, in the context of the Mission, that the provisions of the AMF General Regulation, AMF Instruction 2006-07, AMF Instruction 2006-08 and AMF Recommendation 2006-15 are taken into account;
▪ verify compliance with Ledouble's internal procedures as applicable to independent expertise;
▪ question the signatories to the Report on the multi-criteria valuation of Ingenico Shares, Worldline Shares and OCEANE Bonds, their assessment of the impact of the Agreements and Related Transactions, as well as the summary of their exchanges with Ingenico Management and Worldline Management;
▪ examine the contents of the summary files underpinning the multi-criteria valuation of Ingenico Shares, Worldline Shares and OCEANE Bonds;
▪ follow the preparation of the Report on a formal basis in relation to the signatories to the Report, by formalizing the "questions-answers";
▪ and, *in fine*, verify consistency between the content of the Report and the conclusion of the fairness opinion.