Worldline

First half 2019
Financial review
Consolidated financial statements

The review procedures on the interim financial information have been performed by the statutory auditors. Their review report is currently being issued.

A FINANCIAL REVIEW

A.1 Financial review

In this financial review, the financial statements as of and for the period ended June 2019 are compared with the consolidated financial statements as issued for the similar period in 2018. As the transaction with SIX was finalized on November 30, 2018, first semester 2018 figures do not include any contribution from SIX Payment Services.

A.1.1 Income statement

The Group reported a net income (attributable to owners of the parent) of € 141.5 million for the half year 2019 which represented 12.3 % of Group revenue of the period. The normalized net income before unusual and infrequent items (net of tax) was € 120.2 million, representing 10.4 % of revenue.

A.1.1.1 Operating margin before depreciation and amortization

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is analyzed in the operational review.

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018	Variation
Operating margin	**196.9**	**129.5**	**67.4**
+ Depreciation of fixed assets	70.1	47.5	22.5
+ Net book value of assets sold/written off	1.4	0.1	1.3
+/- Net charge/(release) of pension provisions	6.5	1.9	4.6
+/- Net charge/(release) of provisions	3.6	0.4	3.2
OMDA	**278.5**	**179.4**	**99.1**

The Group has elected to transition to IFRS 16 using the modified retrospective approach, as such previous period ended in December 2018 has not been restated. As a consequence, OMDA 2019 includes an impact of € 20.1 million under the line "depreciation of fixed assets".

A.1.1.2 Operating Margin

(In € million)	6 months ended 30 June 2019	% Margin	6 months ended 30 June 2018	% Margin
Operating margin	**196.9**	**17.1%**	**129.5**	**15.8%**
Other operating income and expenses	(71.1)		(34.2)	
Operating income	**125.8**	**10.9%**	**95.3**	**11.6%**
Net financial income	82.9		2.2	
Tax charge	(49.5)		(24.2)	
Non-controlling interests and associates	(17.7)		(16.1)	
Net income – Attributable to owners of the parent	**141.5**	**12.3%**	**57.2**	**7.0%**
Normalized net income – Attributable to owners of the parent (*)	**120.2**	**10.4%**	**77.0**	**9.4%**

(*) Defined hereafter

For information: accounting treatment of the contingent liability corresponding to the potential compensation to be paid to SIX Group AG by Worldline as part of the acquisition of SIX Payment Services (See note 3 « change of scope »)

As a reminder and in the context of the acquisition of SIX Payment Services finalized on November 30th, 2018, Worldline and SIX Group AG have agreed that a contingent additional consideration of a maximum amount of CHF166 million (c.€ 150 million as of June 30, 2019) may have to be paid in cash by Worldline to SIX Group AG in Q2 2020:

The compensation is payable if Worldline share price in March 2020 is below €50.17;

No compensation is due if this share price exceeds €53.00;

If this share price is between €50.17 and €53.00, Worldline shall pay to SIX Group AG an amount calculated on a linear basis (from CHF 166 million to zero).

This contingent liability has been booked as a financial liability and:

Has been valued at € 99.5 million at acquisition date (November 30, 2018);

Has been included in the calculation of the total consideration transferred for the acquisition of SIX Payment Services;

And is re-evaluated at fair value at each closing date through profit and loss statement (€ 47.6 million at end of June 2019).

Due to the increase of the Worldline share price during H1 2019, the contingent liability has been re-evaluated from € 117.6 million as at December 31, 2018 to € 47.6 million as at June 30, 2019.

The income linked to the change in fair value of € 70.0 million has been booked as financial income in the profit and loss statement.

A.1.1.3 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent. They represent a net expense of € 71.1 million for the six-month period ended June 2019. The following table presents this amount by nature:

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Staff reorganization	(1.3)	(2.0)
Rationalization and associated costs	(1.9)	(2.5)
Integration and acquisition costs	(17.3)	(13.4)
Equity based compensation	(9.3)	(6.9)
Customer relationships and patents amortization	(37.0)	(8.2)
Other items	(4.3)	(1.1)
Total	**(71.1)**	**(34.2)**

Staff reorganization expenses of € 1.3 million decreased by € 0.7 million compared to last year and correspond mainly to the restructuring costs induced by the recent acquisitions.

The € 1.9 million of **rationalization and associated costs** resulted mainly in administrative back office transformation. Those costs have decreased by € 0.6 million compared to the first half of 2018.

Integration and acquisition costs reached € 17.3 million, an increase of € 3.9 million compared to the prior period, and corresponded mainly to Six Payment Services acquisition and post-acquisition integration costs.

The six-month 2019 **Amortization of intangible assets (PPA from acquisitions)** of € 37.0 million corresponds mainly to:

- € 28.5 million of SIX Payment Services customer relationships, technologies and patents;
- € 5.0 million of Equens and Paysquare customer relationships;
- € 1.1 million of MRL Posnet customer relationships and technologies;

- € 1.1 million of Cataps (KB Smartpay) customer relationships.

A.1.1.4 Net financial income

Net financial income amounted to € 82.9 million for the period and was composed of a net cost of financial debt of € 0.4 million and non-operational financial income of € 83.4 million (compared to a profit of € 2.2 million at end of June 2018).

The non-operational financial expenses were mainly composed of:

- The recognition of the fair value adjustment for the 6 months as of June of the contingent liability linked to the acquisition of SIX Payment Services representing an expense of € 70.0 million (cf. Note 3 «Main changes in the scope of consolidation») (nil at end of June 2018);
- The recognition in the consolidated income statement of the variation of the fair value of the Visa preferred shares for a profit of € 16.8 million (€ 3.3 million at end of June 2018);
- Pension financial costs for € 1.1 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded (Cf. Note 18 "Pensions and similar benefits");
- The impact of IFRS 16 for an expense of € 1.7 million; and
- Foreign exchange losses for € 0.7 million.

A.1.1.5 Corporate tax

The tax charge for the six-month period ended June 30, 2019 was € 49.5 million with a profit before tax of € 208.7 million. The annualized Effective Tax Rate (ETR) of 23.6% adjusted for tax discrete items leads to an ETR of 23.7% to compare with an ETR of 24.8% for the year 2018.

A.1.1.6 Non-controlling interests and associates

The non-controlling interests and associates at the end of June 2019 was € 17.7 million compared to € 16.1 million at the end of June 2018 and represent 36.4% of the net result of equensWorldline.

A.1.1.7 Normalized net income

The normalized net income is defined as net income excluding unusual and infrequent items (Group share), net of tax. The impact of the fair value adjustment of the contingent liability linked to the acquisition of SIX Payment Services for € 70.0 million (cf. Note 3 «Main changes in the scope of consolidation») is also excluding. For H1 2019, the amount was € 120.2 million.

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Net income - Attributable to owners of the parent	**141.5**	**57.2**
Fair value adjustment of the contingent liability linked to the acquisition of SIX Payment Services	70.0	-
Other operating income and expenses (Group share)	(67.1)	(28.3)
Tax impact on unusual items	18.5	8.5
Normalized net income - Attributable to owners of the parent	**120.2**	**77.0**

A.1.1.8 Half year Earning Per Share

The number of shares as at January 1, 2019 was 182,554,917. The weighted average number of shares amounts to 182,599,810 for the period. As of end of June 2019, potential dilutive instruments comprised stock subscription (equivalent to 910,782 options).

(In € million)	6 months ended 30 June 2019	% Margin	6 months ended 30 June 2018	% Margin
Net income [a]	**141.5**	**12.3%**	**57.2**	**7.0%**
Normalized net income [b]	**120.2**	**10.4%**	**77.0**	**9.4%**
Average number of shares [c]	182,599,810		132,712,980	
Impact of dilutive instruments	910,782		1,005,014	
Diluted average number of shares [d]	183,510,592		133,717,994	
(In EUR)				
Basic EPS [a] / [c]	**0.78**		**0.43**	
Diluted EPS [a] / [d]	**0.77**		**0.43**	
Normalized basic EPS [b] / [c]	**0.66**		**0.58**	
Normalized diluted EPS [b] / [d]	**0.66**		**0.58**	

A.1.2 Cash Flow

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Operating Margin before Depreciation and Amortization (OMDA)	**278.5**	**179.4**
Capital expenditures	(46.9)	(45.8)
Lease expenditure (Lease under IFRS16)	(18.5)	-
Change in working capital requirement	(30.4)	12.1
Cash from operation	**182.7**	**145.7**
Taxes paid	(19.6)	(26.6)
Net cost of financial debt paid	(0.6)	(0.6)
Reorganization in other operating income	(2.5)	(2.1)
Rationalization & associated costs in other operating income	(1.9)	(2.5)
Integration and acquisition costs	(17.6)	(10.1)
Net Long term financial investments	11.0	(0.6)
Other changes (*)	(6.1)	(0.6)
Free Cash Flow	**145.5**	**102.6**
Net material acquisitions	(21.0)	(3.1)
Contingent liability at fair value	70.0	-
Capital increase	8.0	6.2
Dividends	0.7	-
Change in net cash/(debt)	**203.2**	**105.7**
Opening net cash/(debt)	**(35.0)**	**309.1**
Change in net cash/(debt)	203.2	105.7
Foreign exchange rate fluctuation on net cash/(debt)	0.4	(0.7)
Excl. of former Fin.lease (post IFRS16 effect)	3.2	-
Closing net cash/(debt)	**171.7**	**414.1**

(*) "Other changes" include other operating income and expense with cash impact (excluding reorganization, rationalization and associated costs, integration costs and acquisition costs), and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals

The Group elected to exclude the lease liabilities from the Group net debt definition. Therefore, Free Cash Flow as per Group definition will remain comparable with prior years.

Free cash flow represented by the change in net cash or net debt, excluding equity changes (notably cash received from the exercise of stock options), dividends paid, impact of foreign exchange rate fluctuation on opening net cash balance, and net acquisitions and disposals, reached € 145.5 million compared to € 102.6 million in 2018 corresponding to an increase of + 41.9%.

Cash From Operations amounted to € 182.7 million and increased by € 37.0 million compared to last year, including the following items:

- OMDA (€+99.1 million),
- Higher capital expenditures (€ 1.1 million),

- Lease expenditure (first application of IFRS 16) (€ -18.5 million)
- Lower improvement in change in working capital requirement (€-42.5 million).

OMDA of € 278.5 million, representing an increase of €+99.1 million compared to June 2018, reached 24.2% of revenue (restated from IFRS 16 it would have been 22.4%) versus 21.9% of revenue in June 2018.

Capital expenditures amounted to € 46.9 million or 4.1% of revenue below the level of the first semester of 2018 at 5.6%. They mainly relate to investments in software platforms through capitalized cost, in connection with the modernization of proprietary technological platforms for € 20.2 million.

The negative **change in working capital requirement** was € 30.4 million. The DSO ratio reached 38 days at the end of June 2019 (41 days in June 2018), while the DPO was 90 days (94 days in June 2018). The Group may factor part of its account receivables in the normal course of its day to day treasury management. Amount of receivables factored as at June 30, 2019 is non-significant.

Cash out related to **taxes paid** reached € 19.6 million decreasing by € 7.0 million compared to June 2018.

Net outflow related to **cost of net debt** of € 0.6 million is comparable to the first semester 2018.

Cash outflow linked to **reorganization costs** and **rationalization costs** represented respectively € 2.5 million and € 1.9 million.

Integration costs of € 17.6 million included a large part of costs linked to the acquisition of SIX Payment Services and cost related to post acquisition integrations.

Net financial investments amounted to € 11.0 million. It includes in particular collection related to Visa receivable for € 11.5 million.

Other changes of € -6.1 million corresponded mainly to € -4.4 million of other items of Other operating income and expenses and € -1.7 million of other financial cost.

As a result, the **Free Cash Flow (FCF**) generated in the first semester 2019 was € 145.5 million.

The **net material acquisitions** of € 21.0 million represented mainly net cash effects adjustment linked to the acquisitions of SIX Payment Services in June 2019.

In June 2019, the € 8.0 million **Capital increase** corresponded to the issuance of common stock following employee's exercise of stock options issued in September 2014 and September 2015 and the employee share purchased plan BOOST.

The **fair value as at June 30, 2019** of the contingent liability linked to the acquisition of SIX Payment Services for € 70.0 million (cf. Note 3 «Main changes in the scope of consolidation»);

Foreign exchange rate fluctuation which is determined on debt or cash exposure by country had a positive impact on net cash of € 0.4 million.

A.1.2.1 Financing policy

Financing structure

Worldline's expected liquidity requirements are currently fully covered by the gross cash and long-term committed credit facility.

In this respect, on December 20th, 2018, Worldline SA (as Borrower) signed a five-year Revolving Credit Facility (the 'Facility') for an amount of EUR 600 million, maturing in December 2023 with an option for Worldline to request the extension of the Facility maturity date until December 2025.

Under the terms of the agreement, the Facility includes one financial covenant, which is the consolidated leverage ratio (net debt divided by Operating Margin before Depreciation and Amortization) that may not be greater than 2.5 times.

The Facility has been arranged by a syndicate of 13 international banks. The Facility will be available for general corporate purposes.

Investment policy

Worldline has a policy to lease its office space and other real estate assets either administrative or technical. Some other fixed assets such as IT equipment and company cars may be financed through leases depending on the cost of funding and on the most appropriate type of financing for each new investment.

A.1.3 Parent company results

The income before tax of the parent company amounts to € -20.9 million for the first half of 2019, compared to € -20.7 million for the first semester 2018.

A.2 Interim condensed consolidated financial statements

A.2.1 Interim condensed consolidated income statement

(In € million)		6 months ended 30 June 2019	6 months ended 30 June 2018
Revenue	**Note 4**	**1,152.0**	**818.6**
Personnel expenses	Note 5	(436.2)	(338.1)
Operating expenses	Note 6	(518.9)	(351.1)
Operating margin		**196.9**	**129.5**
% of revenue		**17.1%**	**15.8%**
Other operating income and expenses	Note 7	(71.1)	(34.2)
Operating income		**125.8**	**95.3**
% of revenue		**10.9%**	**11.6%**
Financial expenses		(4.2)	(3.0)
Financial income		87.1	5.2
Net financial expenses	Note 8	82.9	2.2
Net income before tax		**208.7**	**97.5**
Tax charge	Note 9	(49.5)	(24.2)
Share of net profit/(loss) of associates		0.0	0.0
Net income		**159.3**	**73.3**
Of which:			
- attributable to owners of the parent		**141.5**	**57.2**
- non-controlling interests		17.7	16.1

(in € and number of shares)			
Net income - Attributable to owners of the parent			
Weighted average number of shares		182,599,810	132,712,980
Basic earnings per share	**Note 10**	**0.78**	**0.43**
Diluted weighted average number of shares		183,510,592	133,717,994
Diluted earnings per share	**Note 10**	**0.77**	**0.43**

A.2.2 Interim condensed consolidated statement of comprehensive income

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Net income	**159.3**	**73.3**
Other comprehensive income		
- to be reclassified subsequently to profit / (loss) recyclable:	**53.2**	**(5.8)**
Cash flow hedging	0.0	8.0
Exchange differences on translation of foreign operations	52.9	(12.5)
Deferred tax on items recyclable recognized directly on equity	0.3	(1.4)
- not reclassified to profit / (loss) non-recyclable:	**(10.9)**	**1.6**
Actuarial gains and (losses) generated in the period on defined benefit plan	(16.0)	2.2
Deferred tax on items non-recyclable recognized directly on equity	5.0	(0.6)
Total other comprehensive income	**42.3**	**(4.2)**
Total comprehensive income for the period	**201.5**	**69.1**
Of which:		
- attributable to owners of the parent	**186.5**	**52.8**
- non-controlling interests	15.0	16.3

A.2.3 Interim condensed consolidated statements of financial position

(In € million) **ASSETS**		**As at June 30, 2019**	**As at December 31, 2018**
Goodwill	Note 11	3,091.3	3,013.0
Intangible assets	Note 12	1,068.5	1,094.6
Tangible assets		142.0	146.0
Right-of-use		206.5	-
Non-current financial assets	Note 13	92.1	112.0
Deferred tax assets		79.7	51.5
Total non-current assets		**4,680.1**	**4,417.2**
Trade accounts and notes receivables	Note 14	412.4	361.1
Current taxes		43.9	31.0
Other current assets	Note 15	212.8	184.2
Assets linked to intermediation activities		1,669.0	1,151.4
Current financial instruments		0.5	0.4
Cash and cash equivalents	Note 16	355.5	212.8
Total current assets		**2,694.2**	**1,940.9**
Total assets		**7,374.4**	**6,358.1**

(In € million) **LIABILITIES AND SHAREHOLDERS' EQUITY**		**As at June 30, 2019**	**As at December 31, 2018**
Common stock		124.2	124.1
Additional paid-in capital		2,541.6	2,538.4
Consolidated retained earnings		1,011.7	904.1
Translation adjustments		(14.6)	(67.9)
Net income attributable to the owners of the parent		141.5	100.5
Equity attributable to the owners of the parent		3,804.4	3,599.3
Non-controlling interests		224.4	208.9
Total shareholders' equity	**Note 17**	**4,028.9**	**3,808.2**
Provisions for pensions and similar benefits	Note 18	150.2	125.5
Non-current provisions		27.7	17.4
Borrowings		0.0	120.3
Deferred tax liabilities		230.1	191.7
Non current lease liabilities		170.7	-
Other non-current liabilities		2.3	0.0
Total non-current liabilities		**581.0**	**455.0**
Trade accounts and notes payables	Note 19	373.4	363.8
Current taxes		69.2	43.7
Current provisions		23.2	20.7
Current financial instruments		0.0	0.0
Current portion of borrowings		183.8	127.5
Liabilities linked to intermediation activities		1,669.0	1,151.4
Current lease liabilities		34.3	-
Other current liabilities	Note 20	411.6	387.9
Total current liabilities		**2,764.6**	**2,094.9**
Total liabilities and shareholders' equity		**7,374.4**	**6,358.1**

A.2.4 Interim condensed consolidated cash flow statement

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Profit before tax	**208.7**	**97.5**
Depreciation of assets	50.6	47.5
Depreciation of right-of-use	19.4	-
Net charge / (release) to operating provisions	10.2	2.3
Net charge / (release) to financial provisions	1.3	0.9
Net charge / (release) to other operating provisions	(1.7)	3.3
Customer relationships & Patent amortization	37.0	8.2
Losses / (gains) on disposals of fixed assets	1.6	0.1
Net charge for equity-based compensation	8.7	6.9
Losses / (gains) on financial instruments	(86.8)	(3.2)
Net cost of financial debt	0.6	0.6
Cash from operating activities before change in working capital requirement, financial interest and taxes	**249.7**	**164.1**
Taxes paid	(19.6)	(26.6)
Change in working capital requirement	(30.4)	12.1
Net cash from / (used in) operating activities	**199.7**	**149.6**
Payment for tangible and intangible assets	(46.9)	(45.8)
Proceeds from disposals of tangible and intangible assets	0.0	0.0
Net operating investments	**(46.8)**	**(45.8)**
Amounts paid for acquisitions and long-term investments	(6.6)	(4.0)
Cash and cash equivalents of companies purchased /sold during the period (*)	(14.4)	0.0
Proceeds from disposals of financial investments	11.5	0.2
Net long-term investments	**(9.5)**	**(3.8)**
Net cash from / (used in) investing activities	**(56.3)**	**(49.6)**
Common stock issues on the exercise of equity-based compensation	5.2	6.2
Capital increase subscribed by non-controlling interests	2.8	-
Dividends paid to minority shareholders of subsidiaries	0.7	-
New borrowings	95.0	(0.0)
Lease payments & Interest	(18.7)	-
New finance lease	-	0.1
Repayment of long and medium-term borrowings	(9.1)	(9.4)
Net cost of financial debt paid	(0.6)	(0.6)
Net cash from / (used in) financing activities	**75.4**	**(3.7)**
Increase / (decrease) in net cash and cash equivalents	**218.8**	**96.3**
Opening net cash and cash equivalents	**95.2**	**334.2**
Increase / (decrease) in net cash and cash equivalents	218.8	96.3
Impact of exchange rate fluctuations on cash and cash equivalents	0.6	(0.6)
Closing net cash and cash equivalents	**314.5**	**429.9**

(*) Reclassification of the intermediation account following the acquisition of SIX Payment Services

A.2.5 Interim condensed consolidated statement of changes in shareholder's equity

(In € million)	Number of shares at period-end (thousands)	Common Stock	Additional paid-in capital	Retained earnings	Translation adjustments	Net income	Equity attributable to the owners of the parent	Non controlling interests	Total shareholders' equity
At January 1st, 2018	**132,899**	**90.4**	**259.2**	**843.6**	**(47.3)**	**105.5**	**1,251.4**	**175.0**	**1,426.4**
* Common stock issued	589	0.4	7.8				8.2		8.2
* Capital increase for the Six PS transaction	49,067	33.4	2,271.3				2,304.7		2,304.7
* Appropriation of prior period net income				105.5		(105.5)	-		-
* Dividends paid to the shareholders							0.0	(6.7)	- 6.7
* Equity-based compensation				10.9			10.9	1.1	12.0
* Changes in treasury stock				(44.6)			(44.6)		- 44.6
Transactions with owners	**49,656**	**33.8**	**2,279.1**	**71.7**	**-**	**(105.5)**	**2,279.1**	**- 5.6**	**2,273.6**
* Net income						100.5	100.5	38.9	139.4
* Other comprehensive income				(11.3)	(20.6)		(31.8)	0.5	(31.3)
Total comprehensive income for the period	-	-	-	(11.3)	(20.6)	100.5	68.7	39.4	108.2
At December 31st, 2018	**182,555**	**124.1**	**2,538.4**	**904.1**	**(67.9)**	**100.5**	**3,599.2**	**208.9**	**3,808.2**
* Common stock issued	90	0.1	3.3				3.3		3.3
* Appropriation of prior period net income				100.5		(100.5)	0.0		0.0
* Dividends paid to the shareholders							0.0		0.0
* Equity-based compensation				8.2			8.2	0.5	8.7
* Changes in Treasury stock				7.2			7.2		7.2
Transactions with owners	**90**	**0.1**	**3.3**	**115.9**	**-**	**(100.5)**	**18.7**	**0.5**	**19.2**
* Net income						141.5	141.5	17.7	159.2
* Other comprehensive income				(8.3)	53.3		45.0	(2.7)	42.3
Total comprehensive income for the period	**-**	**-**	**-**	**(8.3)**	**53.3**	**141.5**	**186.5**	**15.0**	**201.5**
At June 30th, 2019	**182,645**	**124.2**	**2,541.6**	**1,011.7**	**(14.6)**	**141.5**	**3,804.4**	**224.4**	**4,028.9**

A.2.6 Notes to the interim condensed consolidated financial statements

General information

Worldline SA, the Worldline Group's parent company, is a public limited company under French law whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. The company is registered with the Registry of Commerce and Companies of Pontoise under the reference 378 901 946 RCS Pontoise. Worldline SA shares are traded on the Euronext Paris market under ISIN code FR0011981968. The shares are not listed on any other stock exchange and Worldline SA is the only listed company in the Group. The company is administrated by a board of directors.

Worldline is a European leader and a global market player in the electronic payment and transactional services sector. Worldline activities are organized around three axes: Merchant Services, Financial Services and Mobility & e-Transactional Services.

These interim condensed consolidated financial statements were approved by the Board of Directors on July 24, 2019.

Note 1 Accounting rules and policies

Basis of preparation of interim condensed consolidated financial statements

The 2019 interim condensed consolidated financial statements have been prepared in accordance with the applicable international accounting standards, as endorsed by the European Union and of mandatory application as at January 1, 2019.

The international standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

These interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2018. They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

This is the first set of Group's consolidated financial statements where IFRS 16 has been applied.

Changes in accounting policies

Except for new standards and amendments effective for the periods beginning as of January 1, 2019, the accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended December 31, 2018.

The Company has implemented the new standard IFRS 16 "Leases" and the new interpretation IFRIC 23 Uncertainty over Income tax treatment on 1 January 2019. As a result, the Company has changed its accounting policy for leases accounting and for the classification of certain liabilities linked to uncertainty over income tax as detailed below.

IFRS 16

IFRS 16 replaces existing leases guidance IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single on-balance sheet lease accounting model for lessees requiring them to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make future lease payments.

The Group applied IFRS 16 as of January 1, 2019 using the modified retrospective approach under which the comparative period is not restated. Instead, the cumulative impact of the application of the new standard is recognized in retained earnings at the transition date. Impact on equity is nil as of January 1, 2019.

The Group also used the below simplification & exemptions for the application of IFRS 16:

- The Group applied the practical expedient to grandfather the definition of a lease on transition. This means that as of January 1, 2019, the Group applied IFRS 16 to all existing contracts entered before this date and identified as leases in accordance with IAS 17 and IFRIC 4. For contracts entered into after January 1, 2019, the Group assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

- The Group also applied exemptions allowed by IFRS 16.5 to not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value. Payments under such contracts are registered in the profit and loss statement, on a straight-line basis, over the duration of the contract.

For the Group, the new standard does not trigger any adjustments on transition. For leases in which it acts as a lessor, IFRS 16 does not trigger any change on the existing accounting treatment under IAS 17.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. Those rates have been determined for all the currencies and geographies of the Group and by maturity. The incremental borrowing rates were calculated by taking for each currency a reference in debt quotation by maturity (bullet rate) and adding up a spread corresponding to the entity's cost of financing.

The lease liability is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised.

The Group has applied its judgment to determine the lease term for some Real Estate lease contracts in which it is a lessee and that include renewal or early termination options analyzing whether those sites, mainly offices, were strategic or not. In most cases, the Group retained the contractual end date. Those assumptions might be revised during 2019 depending on IFRIC conclusions.

The Group elected to account the net deferred taxes resulting from IFRS 16 standard. At transition date assets and liabilities resulting from IFRS 16 have the same value, therefore no temporary differences is recognized.

Subsequently, the net book value of the assets declines faster than the net book value of the liabilities (linearity of the amortization of the asset, progressivity of the amortization of the debt). This results in a negative net book value of the two elements and a deductible temporary difference. If the conditions are met, a deferred tax asset is recognized. This asset will decrease when the deferred tax liabilities will become higher than the deferred tax assets.

The weighted-average incremental borrowing rate applied as of January 1, 2019 amounted to 1.8%.

Impacts on financial statements

The Group elected to present the lease liability and the right to use the assets on dedicated lines in the Balance Sheet. Amortization of the right to use the asset will be part of the operating margin, interest costs will be part of the financial result of the Group. The impact of IFRS 16 implementation on Operating Margin and Group net result is not material as of June 30, 2019. The Group elected to exclude the lease liabilities from the Group net debt definition. Therefore, Free Cash Flow as per Group definition will remain comparable with prior years.

IFRS 16 led to the recognition of an opening lease liability for € 215.7 million. This liability relates mainly to Real Estate, IT equipment's and cars used by employees. Reconciliation of operating leases commitments as of December 31, 2018 and opening lease liability is as follows:

(In € million)	**As at January 1, 2019**
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	210.5
Service contracts (out of IFRS 16 scope)	(27.3)
Short-term and low value leases recognised on a straight-line basis as expenses & others	26.4
Discounted effect using the incremental borrowing rate at January 1, 2019	(20.9)
Bezons premises *	24.0
Finance lease liabilities recognised as at December 31, 2018	3.0
Lease liabilities recognised at January 1, 2019	**215.7**

** Contract with effect starting at January 2019*

Other standards

As of January 1, 2019, the Group applied the following standards, interpretations and amendments that had no material impact on the Group financial statements:

- IFRIC 23 interpretation - Uncertainty over Income Tax Treatments;
- Amendments to IFRS 9 - Prepayment Features with Negative Compensation;
- Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures;

- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement;
- Annual Improvements to IFRS Standards 2015–2017.

The Group has not early adopted any standard or interpretation not required to be applied for periods beginning as or after January 1, 2019. The Group does not apply IFRS standards and interpretations that have not been yet approved by the European Union at the closing date.

This interim condensed consolidated financial statements is presented in euro, which is the Group's functional currency. All figures are presented in € million with one decimal.

Accounting estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date.

Material judgments made by the management on accounting principles applied, as well as the main sources of uncertainty related to the estimates used to elaborate the 2019 interim consolidated financial statements remain identical to those described in the last annual report, except for significant new judgments made for the application of IFRS 16 including the determination of the incremental borrowing rate of each lease contract and the probability of the renewal of such contracts.

Significant accounting policies

In addition to the accounting principles as disclosed in the annual consolidated financial statements, significant accounting principles are relevant for the interim consolidated financial statements and are presented in:

- Note 9 – Income Tax,
- Note 11 – Goodwill,
- Note 18 – Pensions and similar benefits.

Impairment of assets

Goodwill and assets that are subject to amortization are tested for impairment whenever events or circumstances indicate that the carrying amount could not be recoverable. If necessary, an impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable value. Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

Pensions and similar benefits

The remeasurement principle for pension liabilities and assets at interim periods is the following: actuarial remeasurements are only triggered if there are significant impacts on both the obligations and plan assets and limited to the Group's most significant pension plans. For less significant plans actuarial projections are used.

Corporate income tax

The income tax charge includes current and deferred tax expenses. For the purposes of the interim condensed consolidated financial statements, consolidated income tax expense is determined by applying the estimated effective tax rate for the full year to the "half-year net income before tax". The estimated effective tax rate for the full-year is determined on the basis of forecasted current

and deferred tax expense for the year in the light of full-year earnings projections.

Note 2 Significant event of the semester

Atos

On January 29, 2019, Atos' Board of Directors, following a specific governance process, proposed to submit to its shareholders the project to distribute in kind around 23.4% of Worldline's share capital, out of the 50.8% previously owned. Post transaction, Atos would retain approximately 27.3% of Worldline's share capital and Worldline's free float would be increased to approximately 45.1%.

Following the approval of the transaction by Atos shareholders at the Annual General Meeting on April 30, 2019, the distribution of Worldline shares to Atos shareholders took effect on May 7, 2019, the payment date for the stock dividend.

Following the distribution, Atos held 27.3% of Worldline's share capital and 35% of voting rights.

The shareholders' agreement between Atos and SIX was amended to reflect the continued partnership between the two groups post distribution, and both parties are expected to commit to a 6-month joint lock-up on their respective stakes in Worldline post distribution.

Note 3 Changes in the scope of consolidation

SIX Payment Services

After Worldline Extraordinary General Meeting that had approved the issuance of new Worldline shares in exchange for the contribution of SIX Payment Services to Worldline and the completion of the regulatory process, the transaction with SIX was finalized on November 30, 2018.

SIX Payment Services is the payment services division of SIX delivering at scale, both commercial acquiring and financial processing services. SIX Payment Services is the clear leader of the DACH[1] region, with n°1 commercial acquiring market positions in Switzerland, Austria and Luxembourg and a sizeable presence in Germany. As result of the acquisition, Worldline expect to create the leading and largest European payments provider. The respective markets of both partners complement each other very well. New technologies can be jointly and efficiently developed and implemented from a position of strength.

Worldline acquired 100% of SIX Payment Services which is fully consolidated since December 1st, 2018.

Consideration

(in € million)	
Total considation tranferred	**2,821.6**
Equity instruments (49,066,878 ordinary shares of Worldline SA)	2,308.1
Cash	414.0
Contingent consideration arrangement	99.5

As part of the transaction, Worldline issued 49.1 million new ordinary shares representing 26.9% of the share capital of Worldline, fully paid up. The fair value of the shares issued was measured using the opening market price of Worldline SA’s ordinary shares on the acquisition date.

The cash transferred was denominated in Swiss francs (CHF). To hedge potential currency fluctuations, Worldline has set up a foreign currency hedge to partly freeze the exchange rate for the completion of the Contribution.

The contingent consideration arrangement requires Worldline to pay the former owner of SIX Payment Services if the conditions based on the Worldline stock price at end of March 2020 are completed. Fair value was estimated using the usual valuation method based on Worldline share price at the acquisition date. The fair value was € 99.5 million at the acquisition date, was reassessed at end of December 2018 to € 117.6 million and then reassessed to € 47.6 million at end of June 2019. The variation of € 70.0 in 2019 was recognized through P&L as a financial income.

The consideration includes certain elements that are still under discussion with the previous shareholders.

[1] *Germany, Austria and Switzerland*

Recognized amounts of identifiable assets acquired and liabilities assumed

The fair value of SIX Payment Services net assets acquired is set out in the table below:

(in € million)	**Assets acquired and liabilty assumed**
Fixed assets	783.0
Net Cash / (Dept)	18.4
Provisions	(32.3)
Other net assets / liabilities	(63.4)
Fair value of acquisition	**705.7**

Preliminary Goodwill

(in € million)	**Preliminary Goodwill**	
Total consideration transferred	2,821.6	
Total Consideration	**2,821.6**	*a*
Equity acquired	116.8	
Fair value adjustments net of deferred tax	589.0	
Fair Value of net assets	**705.7**	*b*
Total	**2,115.9**	*c = a - b*

The valuation of assets acquired and liabilities assumed at their fair value has mainly resulted in the recognition of backlog and new customer relationships for a total amount of € 430.1 million and developed technologies for € 275.2 million. Those new intangibles had been determined by an independent expert and are mainly amortized over 14 to 19 years.

If new information is obtained by the end of November 2019 (12 months after acquisition date) about facts and circumstances that existed at the acquisition date that would lead to adjustments to opening balance sheet, then the acquisition accounting would be revised.

The residual goodwill is attributable to SIX Payment Services' highly skilled workforce and some know-how. It also reflects the synergies expected to be achieved from integrating SIX Payment Services operations into the Group.

These estimates are still preliminary, as closing account are not finalized yet, and may be adjusted within one year of the acquisition depending on facts and circumstances existing at the acquisition date.

The goodwill arising from this acquisition is not tax deductible.

Note 4 Segment information by Global Business Lines

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO who makes strategic decisions.

The internal management reporting is designed based on Global Business Lines (Merchant Services, Financial Services and Mobility & e-Transactional Services). Global Business Lines have been determined by the Group as key indicators by the Chief operating decision maker. As a result and for IFRS 8 requirements, the Group discloses Global Business Lines (GBL) as operating segments. Each GBL is managed by a dedicated member of the Executive Committee.

The P&L indicators as well as the assets have been allocated according to these GBL segments. On OMDA, a part of the cost related to Global Structures has not been allocated by GBL. Regarding Group Assets, the shared assets not allocated by GBL primarily relate to shared infrastructure delivering mutualized services to those three GBL.

The geographical scope and the activities covered by each operating segment are as follows:

Operating segments	Business divisions	Geographical areas
Merchant Services	Commercial Acquiring, Terminal Services, Omnichannel Payment Acceptance, Private label Card & Loyalty Services, Digital Retail	Argentina, Austria, Belgium, Brazil, Czech republic, France, Germany, India, Luxembourg, Malaysia, Poland, Spain, Sweden, Switzerland, The Netherlands, United Kingdom, USA
Financial Services	Issuing Processing, Acquiring Processing, Digital Banking, Account Payments	Austria, Belgium, China, Estonia, Finland, France, Germany, Hong Kong, Indonesia, Italy, Latvia, Lithuania, Luxembourg, Malaysia, Singapore, Spain, Switzerland, Taiwan, The Netherlands and the United Kingdom.
Mobility & e-Transactional Services	Trusted Digitization, e-Ticketing, Contact & consumer cloud, Connected Living & Mobility	Argentina, Austria, Belgium, Chile, China, France, Germany, Spain, The Netherlands and United Kingdom,

Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. No external customer generates more than 10% of total Group sales. The operating segment information for the period was the following:

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	**Total Group**
6 months ended 30 June 2019				
External revenue by Global Business Lines	**535.2**	**444.3**	**172.6**	**1,152.0**
% of Group revenue	46.5%	38.6%	15.0%	100.0%
6 months ended 30 June 2018				
External revenue by Global Business Lines	**287.4**	**371.7**	**159.5**	**818.6**
% of Group revenue	35.1%	45.4%	19.5%	100.0%

The "Merchant Services" external revenue is presented net of interchange bank commissions received on behalf of credit card companies.

(In € million)	Merchant Services	Financial Services	Mobility & e-transactional services	Global structures	**Total Group**
6 months ended 30 June 2019					
Operating Margin before Depreciation and Amortization (OMDA) included IFRS 16 impact	**119.8**	**144.6**	**24.9**	**(10.7)**	**278.5**
% revenue	22.4%	32.5%	14.4%	-0.9%	24.2%
Operating Margin before Depreciation and Amortization (OMDA) without IFRS 16 impact	**110.5**	**136.9**	**21.7**	**(10.7)**	**258.4**
% revenue	20.6%	30.8%	12.6%	-0.9%	22.4%
6 months ended 30 June 2018					
Operating Margin before Depreciation and Amortization (OMDA)	**61.9**	**109.5**	**16.4**	**(8.4)**	**179.4**
% revenue	21.5%	29.5%	10.3%	-1.0%	21.9%

Operating margin before depreciation and amortization (OMDA) represents the underlying operational performance of the current business and is determined as follows:

(In € million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018**	**Variation**
Operating margin	**196.9**	**129.5**	**67.4**
+ Depreciation of fixed assets	70.1	47.5	22.5
+ Net book value of assets sold/written off	1.4	0.1	1.3
+/- Net charge/(release) of pension provisions	6.5	1.9	4.6
+/- Net charge/(release) of provisions	3.6	0.4	3.2
OMDA	**278.5**	**179.4**	**99.1**

The increase of OMDA 2019 includes an impact of € 20.1 million related to the first application of IFRS 16 under the line "depreciation of fixed assets".

The geographical segment information for the period was the following:

(In € million)	France	Luxembourg and Netherlands	Belgium	Switzerland	Germany & CEE	North & South Europe	Emerging Markets	**Total Group**
6 months ended 30 June 2019								
External revenue by geographical area	**216.8**	**186.2**	**186.0**	**168.0**	**175.9**	**140.2**	**78.9**	**1,152.0**
% of Group revenue	18.8%	16.2%	16.1%	14.6%	15.3%	12.2%	6.8%	100.0%
6 months ended 30 June 2018								
External revenue by geographical area	**191.8**	**97.4**	**175.7**	**0.0**	**125.9**	**144.1**	**83.8**	**818.6**
% of Group revenue	23.4%	11.9%	21.5%	0.0%	15.4%	17.6%	10.2%	100.0%

Note 5 Personnel expenses

(In € million)	6 months ended 30 June 2019	% Revenue	6 months ended 30 June 2018	% Revenue
Wages, salaries & social security charges	(422.1)	36.6%	(332.7)	40.6%
Tax, training, profit-sharing	(7.6)	0.7%	(3.7)	0.5%
Net (charge)/release to provisions for staff expenses	0.0	0.0%	0.2	0.0%
Net (charge)/release to provisions for pensions and similar benefits	(6.5)	0.6%	(1.9)	0.2%
Total	**(436.2)**	**37.9%**	**(338.1)**	**41.3%**

Note 6 Non personnel operating expenses

(In € million)	6 months ended 30 June 2019	% Revenue	6 months ended 30 June 2018	% Revenue
Operating costs	(201.2)	17.5%	(152.7)	18.7%
Subcontracting costs direct	(179.9)	15.6%	(142.6)	17.4%
Scheme fees	(81.1)	7.0%	(25.2)	3.1%
Subtotal expenses	**(462.2)**	**40.1%**	**(320.6)**	**39.2%**
Depreciation of assets	(70.1)	6.1%	(47.5)	5.8%
Net (charge)/release to provisions	(3.6)	0.3%	(0.6)	0.1%
Gains/(Losses) on disposal of assets	(1.3)	0.1%	(0.1)	0.0%
Trade Receivables write-off	(2.3)	0.2%	(1.9)	0.2%
Capitalized Production	20.7	-1.8%	19.7	-2.4%
Subtotal other expenses	**(56.6)**	**4.9%**	**(30.5)**	**3.7%**
Total	**(518.9)**	**45.0%**	**(351.1)**	**42.9%**

Note 7 Other operating income and expenses

Other operating income and expenses relate to income and expenses that are unusual and infrequent.

(In € million)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018**
Staff reorganization	(1.3)	(2.0)
Rationalization and associated costs	(1.9)	(2.5)
Integration and acquisition costs	(17.3)	(13.4)
Equity based compensation	(9.3)	(6.9)
Customer relationships and patents amortization	(37.0)	(8.2)
Other items	(4.3)	(1.1)
Total	**(71.1)**	**(34.2)**

Staff reorganization expenses of € 1.3 million decreased by € 0.7 million compared to last year and correspond mainly to the restructuring costs induced by the recent acquisitions.

The € 1.9 million of **rationalization and associated costs** resulted mainly in administrative back office transformation. Those costs have decreased by € 0.6 million compared to the first half of 2018.

Integration and acquisition costs reached € 17.3 million, an increase of € 3.9 million compared to the prior period, and corresponded mainly to Six Payment Services acquisition and post-acquisition integration costs.

The six-month 2019 **Amortization of intangible assets (PPA from acquisitions)** of € 37.0 million corresponds mainly to:

- € 28.5 million of SIX Payment Services customer relationships, technologies and patents;
- € 5.0 million of Equens and Paysquare customer relationships;
- € 1.1 million of MRL Posnet customer relationships and technologies;
- € 1.1 million of Cataps (KB Smartpay) customer relationships.

Note 8 Net Financial Result

Net financial income amounted to € 82.9 million for the period and was composed of a net cost of financial debt of € 0.4 million and non-operational financial income of € 83.4 million (compared to a profit of € 2.2 million at end of June 2018).

The non-operational financial expenses were mainly composed of:

The recognition of the fair value adjustment for the 6 months as of June of the contingent liability linked to the acquisition of SIX Payment Services representing an expense of € 70.0 million (cf. Note 3 «Main changes in the scope of consolidation») (nil at end of June 2018);

The recognition in the consolidated income statement of the variation of the fair value of the Visa preferred shares for a profit of € 16.8 million (€ 3.3 million at end of June 2018);

Pension financial costs for € 1.1 million. The pension financial costs represent the difference between interest costs on defined benefit obligations and the interest income on plan assets for plans which are funded (Cf. Note 18 "Pensions and similar benefits");

The impact of IFRS 16 for an expense of € 1.7 million; and

Foreign exchange losses for € 0.7 million.

Note 9 Income tax expenses

The tax charge for the six-month period ended June 30, 2019 was € 49.5 million with a profit before tax of € 208.7 million. The annualized Effective Tax Rate (ETR) of 23.6% adjusted for tax discrete items leads to an ETR of 23.7% to compare with an ETR of 24.8% for the year 2018.

Note 10 Earnings per Share

Basic and diluted earnings per share are reconciled in the table below. Potential dilutive instruments comprise stock options, which do not generate any restatement of net income used for the diluted EPS calculation. The average number of stock options not exercised in June 2018 amounted to 1,530,511 shares. As of end of June 2019, potential dilutive instruments comprised stock subscription (equivalent to 910,782 options).

(In € million and shares)	**6 months ended 30 June 2019**	**6 months ended 30 June 2018**
Net income - Attributable to owners of the parent [a]	**141.5**	**57.2**
Impact of dilutive instruments	-	-
Net income restated of dilutive instruments - Attributable to owners of the parent [b]	**141.5**	**57.2**
Average number of shares outstanding [c]	182,599,810	132,712,980
Impact of dilutive instruments [d]	910,782	1,005,014
Diluted average number of shares [e]=[c]+[d]	183,510,592	133,717,994
Earnings per share in EUR [a]/[c]	**0.78**	**0.43**
Diluted earnings per share in EUR [b]/[e]	0.77	0.43

Note 11 Goodwill

(In € million)	As at December 31, 2018	Disposals Deprecia-tions	Impact of business combi-nation	Other	Exchange rate fluctuations	As at June 30, 2019
Gross value	3,013.6	-	37.4	-	40.9	**3,091.9**
Impairment loss	(0.6)	-	-	-	-	**(0.6)**
Carrying amount	**3,013.0**	**-**	**37.4**	**-**	**40.9**	**3,091.3**

The impact in business combination is fully attributable to SIX Payment Services (see Note 3 for more details).

Goodwill mainly corresponds to:
- € 2,156.4 million related to acquisitions of SIX Payment Services (see Note 3 for more details);
- € 437.8 million related to the acquisitions of Equens/Paysquare and Cataps. The impact of business combination includes € 32.1 million related to Cataps acquisition;
- € 243.3 million related to Banksys acquisition;
- € 50.4 million related to the acquisition of MRL Posnet;
- € 41.3 million related to the acquisition of Worldline Baltics (former First Data Baltics); and
- € 32.6 million related to the acquisition of WOPA (former DRWP).

During the semester, the Group has not recorded any impairment for any CGUs as there was not any triggering event as of June 30, 2019.

Note 12 Intangible assets

(In € million)	Software & Licenses	Customer Relation-ships/ Patent	Other assets	Total
Gross value				
As at January 1st, 2019	**768**	**609**	**23**	**1,400**
Additions	2		0	2
R&D capitalized	21			21
Impact of business combination	0	0		0
Disposals (*)	(1)			(1)
Exchange differences	2	8	6	16
Other	1		(0)	1
As at June 30, 2019	**792**	**617**	**30**	**1,439**
Accumulated depreciation				
As at January 1st, 2019	**(218)**	**(67)**	**(21)**	**(305)**
Depreciation charge for the year	(25)	(37)		(63)
Disposals/reversals (*)	0			0
Exchange differences	(1)		(0)	(2)
Other	0		(0)	0
As at June 30, 2019	**(244)**	**(104)**	**(21)**	**(369)**
Net value				
As at January 1st, 2019	**550**	**542**	**3**	**1,094**
As at June 30, 2019	**548**	**513**	**8**	**1,069**

(*) Write-off of fully depreciated assets

Development capitalized costs are related to the modernization of proprietary technological platforms for € 20 million. At June 30, 2019, the net book value of those capitalized cost amounted to € 185 million.

Note 13 Non current financial assets

(In € million)		As at June 30, 2019	As at December 31, 2018
Pension prepayments	Note 18	10.3	8.9
Fair value of non-consolidated investments		68.9	78.1
Investments in associates		7.2	2.9
Other (*)		5.7	22.1
Total		**92.1**	**112.0**

(*) "Other" include loans, deposits and guarantees.

The decrease in other is mainly due to the deferred payment related to the disposal of Visa Europe share formerly owned by Worldline that had been paid during the 2019 semester.

Note 14 Trade accounts and notes receivable

(In € million)	As at June 30, 2019	As at December 31, 2018
Contract assets	191.9	152.8
Trade receivables	230.8	216.4
Expected credit losses allowance	(10.3)	(8.1)
Net asset value	**412.4**	**361.1**
Contract liabilities	(131.8)	(128.7)
Net accounts receivable	**280.6**	**232.4**
Number of days sales outstanding (DSO)	**38**	**33**

Contract asset evolution usually reflects the revenue growth, activities associated to build revenue and sometimes license revenue related to Worldline intellectual property corresponding to distinct performance obligations in large outsourcing contracts in line with IFRS15, as well as projects and upsell activities with existing customers often invoiced at completion. It also includes Six Payment Services scope effect on a full semester basis.

Note 15 Other current assets

(In € million)	As at June 30, 2019	As at December 31, 2018
Inventories	39.5	35.0
State - VAT receivables	58.0	43.9
Prepaid expenses	55.7	60.6
Other receivables & current assets	57.8	43.2
Advance payment	1.9	1.6
Total	**212.8**	**184.2**

Note 16 Cash and cash equivalents

(In € million)	As at June 30, 2019	As at December 31, 2018
Cash and cash equivalents	354.7	214.8
Current accounts with Atos entities - Assets	0.0	(2.6)
Short-term bank deposits	0.0	0.0
Money market funds	0.7	0.5
Total cash and cash equivalents	**355.5**	**212.8**
Overdrafts	(41.0)	(98.4)
Current accounts with Atos entities - Liabilities	0.0	(19.2)
Total overdrafts and equivalents	**(41.0)**	**(117.6)**
Total net cash and cash equivalents	**314.5**	**95.2**

Note 17 Shareholder equity

On February 2019, 89,786 new shares were created with the employee share purchased plan BOOST.

At the end of June 2019, the total of shares reached at 182,644,703 with a nominal value of € 0.68. Common stock was increased from € 124,137,343.56 to € 124,198,398.04.

Note 18 Pensions and similar benefits

Discount rates for the Eurozone, Switzerland and the United Kingdom have significantly decreased since December 31, 2018.

	As at June 30, 2019	As at December 31, 2018
Euro zone (long duration plans)	1.4%	2.1%
Euro zone (other plans)	0.9%	1.6%
Switzerland	0.4%	0.8%
United Kingdom	2.5%	2.9%

The fair value of plan assets for the major UK and Swiss schemes have been remeasured as at June 30, 2019.

The net total amount recognized in the balance sheet in respect of pension plans per June 30, 2019 is a liability of € 139.9 million (compared to a liability of € 116.7 million per December 31, 2018).

(In € million)	As at June 30, 2019	As at December 31, 2018
Prepaid pension asset	10.3	8.9
Accrued liability – pension plans	(143.5)	(119.1)
Total Pension plan	**(133.2)**	**(110.2)**

(In € million)	As at June 30, 2019	As at December 31, 2018
Accrued liability – pension plans	(143.5)	(119.1)
Accrued liability – other long term benefits	(6.7)	(6.5)
Total accrued liability	**(150.2)**	**(125.6)**

The net impact of defined benefits plans on Group profit and loss can be summarized as follows:

(In € million)	As at June 30, 2019	As at June 30, 2018
Operating margin	(13.7)	(4.4)
Financial result	(1.1)	(0.9)
Total expense	(14.8)	(5.4)

Note 19 Trade accounts and notes payable

(In € million)	As at June 30, 2019	As at December 31, 2018
Trade payables and notes payable	373.4	363.8
Trade payables and notes payable	**373.4**	**363.8**
Advance payments	(1.9)	(1.6)
Prepaid expenses	(55.7)	(60.6)
Net accounts payable	**315.9**	**301.6**
Number of days payable outstanding (DPO)	**90**	**87**

Trade accounts and notes payable are expected to be paid within one year.

Note 20 Other current liabilities

(In € million)	As at June 30, 2019	As at December 31, 2018
Contract liability	131.8	128.7
Employee-related liabilities	99.5	99.2
Social security and other employee welfare liabilities	46.0	46.2
VAT payable	83.3	61.1
Other operating liabilities	51.1	52.6
Total	**411.6**	**387.9**

Other current liabilities are mainly expected to be settled within one year.

Note 21 Related parties

The main transactions between the related entities are made up of:

- The reinvoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services; and
- The interest expenses related to the financial items.

These transactions are entered into at market conditions.

The related party transactions are detailed as follows**:**

Atos

(In € million)	6 months ended 30 June 2019	6 months ended 30 June 2018
Revenue	29.1	21.6
Operating income / expenses	(58.4)	(48.3)
Other operating expenses	(0.2)	0.0
Net cost of financial debt	-	(0.4)

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(In € million)	As at June 30, 2019	As at December 31, 2018
Trade accounts and notes receivables	21.9	15.6
Other current assets	6.8	22.9
Current accounts & cash agreement - Assets	-	(2.8)
Trade accounts and notes payables	24.9	28.0
Other current liabilities	0.2	6.2
Current accounts & cash agreement with Atos entities - Liabilities	-	19.3

SIX

(In € million)	As at June 30, 2019
Revenue	13.2
Operating income / expenses	(26.3)
Other operating expenses	0.0
Net cost of financial debt	0.0

(*) SIX is a Worldline's shareholder since December 2018

The receivables and liabilities included in the statement of financial position linked to the related parties are detailed as follows:

(In € million)	As at June 30, 2019
Trade accounts and notes receivables	266.6
Trade accounts and notes payables	11.5
Other current liabilities	0.5
Current accounts & cash agreement with Six entities - Liabilities	0.0

As trade accounts and notes receivables is linked to intermediation activities, it is reclassified under the line “Assets linked to intermediation activities” of the balance sheet.

Note 22 Subsequent events

The 24th of July 2019, Worldline decided to exercise the call option to acquire the 36.4% minority stake and take full ownership in equensWorldline

It represents the final step of the Equens acquisition initiated in 2016, allowing taking full ownership of equensWorldline, the leading European payment transaction processor.

The call exercise price is €1,070 million for the remaining 36.4% stake. The consideration will be paid entirely in cash.

Ahead of the closing of the transaction, Worldline has already secured a bridge financing with a pool of banks for the total consideration and plans to seek long term financing on the capital markets, subject to market conditions.

The transaction is expected to close during the fourth quarter of 2019; it is subject to the social process in Worldline and equensWorldline as well as regulatory approvals in the Netherlands.