



SEMI-ANNUAL FINANCIAL REPORT

as at 30 June 2020



TABLE OF CONTENTS

I.	Semi-Annual Financial Report as at 30 June 2020	3
II.	Condensed Interim Consolidated Financial Statements as at 30 June 2020	4
III.	Management Statement	26
IV.	Independent auditor's review report	27

Semi-Annual Financial Report as at 30 June 2020

Important events in the first half-year 2020

For an overview of the main events that occurred during the first six months of 2020 and their impact on the unaudited Condensed Interim Consolidated Financial Statements as at 30 June 2020, please refer to Note 2 “Significant events and transactions” of the Condensed Interim Consolidated Financial Statements attached hereto and to the Press Release, issued and available on Euronext’s website (www.euronext.com) as from 29 July 2020.

Related party transactions

Euronext has related party relationships with its associates and joint ventures. Transactions with subsidiaries are eliminated on consolidation. For more details, please refer to Note 21 “Related parties” of the Condensed Interim Consolidated Financial Statements attached hereto.

Risks and uncertainties

In the 2019 Universal Registration Document issued by Euronext N.V. on 1 April 2020, Euronext has described certain risks and risk factors, which could have a material adverse effect on the Company’s financial position and results. Those risk categories and risk factors did not materially change during the first six months of 2020 and can be found in Chapter 2 (pages 43 to 57) of the 2019 Registration Document.

Similarly, for the second half-year of 2020, Euronext currently considers the same risk categories and risk factors to be applicable. Additional risks not known to Euronext, or currently believed not to be material, could later turn out to have a material impact on Euronext’s business or financial position.

Condensed Interim Consolidated Financial Statements as at 30 June 2020

Contents

Condensed Interim Consolidated Statement of Profit or Loss	5
Condensed Interim Consolidated Statement of Comprehensive Income	6
Condensed Interim Consolidated Balance Sheet	7
Condensed Interim Consolidated Statement of Cash Flows	8
Condensed Interim Consolidated Statement of Changes in Equity	9
Notes to the Condensed Interim Consolidated Financial Statements	10
1. General information	10
2. Significant events and transactions	10
3. Basis of preparation, significant accounting policies and judgments	11
4. Segment information	12
5. Group information	13
6. Business combinations.....	14
7. Revenue and geographical information.....	16
8. Salaries and employee benefits	17
9. Depreciation and amortization	17
10. Other operational expenses	17
11. Exceptional items.....	17
12. Net financing income / (expense).....	17
13. Share of net profit/(loss) of associates and joint ventures.....	17
14. Income tax expense	17
15. Goodwill and other intangible assets	18
16. Shareholders' equity	18
17. Earnings per Share	18
18. Borrowings.....	19
19. Derivatives financial instruments	19
20. Financial instruments.....	21
21. Related parties.....	24
22. Contingencies.....	24
23. Events after the reporting period	25

Condensed Interim Consolidated Statement of Profit or Loss

<i>In thousands of euros (except per share data)</i>	Note	Six months ended	
		30 June 2020	30 June 2019
		unaudited	unaudited
Revenue	7	447,540	311,618
Total revenue		447,540	311,618
Salaries and employee benefits	8	(91,655)	(66,630)
Depreciation and amortisation	9	(26,477)	(17,745)
Other operational expenses	10	(80,438)	(57,630)
Operating profit before exceptional items		248,970	169,613
Exceptional items	11	(1,461)	(13,345)
Operating profit		247,509	156,268
Finance costs	12	(7,387)	(4,708)
Change in fair value of financial liabilities	12	(229)	-
Other net financing income/(expense)	12	3,109	3,537
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof	13	4,388	3,450
Profit before income tax		247,390	158,547
Income tax expense	14	(66,241)	(47,526)
Profit for the period		181,149	111,021
Profit attributable to:			
– Owners of the parent		178,116	109,480
– Non-controlling interests		3,033	1,541
Basic earnings per share	17	2.56	1.57
Diluted earnings per share	17	2.55	1.57

The above Condensed Interim Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Condensed Interim Consolidated Statement of Comprehensive Income

<i>In thousands of euros</i>	Note	Six months ended	
		30 June 2020	30 June 2019
		unaudited	unaudited
Profit for the period		181,149	111,021
Other comprehensive income			
Items that may be reclassified to profit or loss:			
– Exchange differences on translation of foreign operations		(75,143)	7,015
– Gains and losses on cash flow hedges		-	493
– Income tax impact on exchange differences on translation of foreign operations		5,656	-
Items that will not be reclassified to profit or loss:			
– Change in value of equity investments at fair value through other comprehensive income	20	4,473	11,259
– Income tax impact on change in value of equity investments at fair value through other comprehensive income		(297)	(1,169)
– Remeasurements of post-employment benefit obligations		(1,123)	(2,717)
– Income tax impact on remeasurements of post-employment benefit obligations		305	260
Other comprehensive income for the period, net of tax		(66,129)	15,141
Total comprehensive income for the period		115,020	126,162
Comprehensive income attributable to:			
– Owners of the parent		113,938	124,447
– Non-controlling interests		1,082	1,715

The above Condensed Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Interim Consolidated Balance Sheet

<i>In thousands of euros</i>	Note	As at 30 June 2020	As at 31 December 2019
		unaudited	audited
Assets			
Non-current assets			
Property, plant and equipment		55,660	58,890
Right-of-use assets		46,180	51,751
Goodwill and other intangible assets	15	1,439,030	1,458,760
Deferred tax assets		19,105	21,025
Investments in associates and joint ventures		71,380	67,025
Financial assets at fair value through other comprehensive income	20	199,642	197,821
Financial assets at amortised cost	20	2,463	1,503
Other non-current assets		1,380	1,559
Total non-current assets		1,834,840	1,858,334
Current assets			
Trade and other receivables		185,379	125,376
Other current assets		12,125	12,057
Income tax receivables		4,608	1,395
Derivative financial instruments	19	24,180	19,353
Other current financial assets	20	37,068	12,118
Cash and cash equivalents		622,328	369,822
Total current assets		885,688	540,121
Assets held for sale		8,760	8,760
Total assets		2,729,288	2,407,215
Equity and liabilities			
Equity			
Issued capital	16	112,000	112,000
Share premium		116,560	116,560
Reserve own shares		(19,857)	(11,194)
Retained earnings		687,901	625,545
Other reserves		10,014	75,229
Shareholders' equity		906,617	918,140
Non-controlling interests		29,418	15,686
Total equity		936,035	933,826
Non-current liabilities			
Borrowings	18	1,271,939	1,011,527
Lease liabilities		34,833	41,180
Deferred tax liabilities		72,914	78,754
Post-employment benefits		25,963	25,958
Contract liabilities		44,050	45,795
Provisions		14,436	15,079
Total non-current liabilities		1,464,135	1,218,293
Current liabilities			
Borrowings	18	1,641	6,750
Lease liabilities		14,706	13,970
Other current financial liabilities	20	1,013	30,675
Derivative financial instruments		-	141
Current income tax liabilities		30,999	23,333
Trade and other payables		190,907	117,298
Contract liabilities		88,125	62,825
Provisions		1,727	104
Total current liabilities		329,118	255,096
Total equity and liabilities		2,729,288	2,407,215

The above Condensed Interim Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Condensed Interim Consolidated Statement of Cash Flows

<i>In thousands of euros</i>	Note	Six months ended	
		30 June 2020	30 June 2019
		unaudited	unaudited
Profit before income tax		247,390	158,547
Adjustments for:			
• Depreciation and amortisation	9	26,477	17,745
• Share based payments	8	3,885	2,479
• Share of profit from associates and joint ventures, and impairments thereof	13	(4,388)	(3,450)
• Changes in working capital and provisions		(84,348)	(26,248)
Cash flow from operating activities		189,016	149,073
Income tax paid		(57,423)	(50,032)
Net cash generated by operating activities		131,593	99,041
Cash flow from investing activities			
Acquisition of associates and joint ventures		-	(5,000)
Acquisition of subsidiaries, net of cash acquired		59,755	(565,595)
Purchase of financial assets at FVOCI		-	(22,091)
Purchase of other current financial assets		(29,181)	(4,689)
Redemption of other current financial assets		3,000	4,300
Purchase of property, plant and equipment		(2,462)	(6,832)
Purchase of intangible assets	15	(3,647)	(4,967)
Dividends received from associates		-	5,097
Proceeds from sale of property, plant and equipment and intangible assets		105	32
Net cash (used in) investing activities		27,570	(599,745)
Cash flow from financing activities			
Proceeds from borrowings, net of transaction fees		255,673	538,925
Interest paid		(10,841)	(5,553)
Interest received		4,938	4,841
Dividends paid to the company's shareholders	16	(110,620)	(107,239)
Dividends paid to non-controlling interests		(4,438)	(1,260)
Payment of lease liabilities		(6,813)	(4,120)
Transactions in own shares	16	(13,217)	753
Employee Share transactions		(1,774)	(20)
Net cash (used in) financing activities		112,908	426,327
Net (decrease)/increase in cash and cash equivalents		272,071	(74,377)
Cash and cash equivalents - Beginning of the period		369,822	398,018
Non-cash exchange (losses)/gains on cash and cash equivalents		(19,565)	664
Cash and cash equivalents - End of the period		622,328	324,305

The above Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Condensed Interim Consolidated Statement of Changes in Equity

<i>In thousands of euros</i>	Note	Issued capital	Share premium	Reserve own shares	Retained Earnings	Other reserves		Total other reserves	Total Shareholders' equity	Non-controlling interests	Total equity	
						Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI					
Balance as at 1 January 2019		112,000	116,560	(17,816)	509,483	3,351	67,515	70,866	791,093	11,231	802,324	audited
Profit for the period		-	-	-	109,480	-	-	-	109,480	1,541	111,021	
Other comprehensive income for the period		-	-	-	(2,457)	6,841	10,090	17,424	14,967	174	15,141	
Total comprehensive income for the period		-	-	-	107,023	6,841	10,090	17,424	124,447	1,715	126,162	
Transfer of revaluation result to retained earnings		-	-	-	3,597	-	(3,597)	(3,597)	-	-	-	
Share based payments		-	-	-	2,461	-	-	-	2,461	-	2,461	
Dividends paid		-	-	-	(107,239)	-	-	-	(107,239)	(1,260)	(108,499)	
Transactions in own shares		-	-	753	-	-	-	-	753	-	753	
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	17,193	17,193	
Balance as at 30 June 2019		112,000	116,560	(17,063)	515,325	10,192	74,008	84,693	811,515	28,879	840,394	unaudited
Balance as at 31 December 2019		112,000	116,560	(11,194)	625,545	970	74,259	75,229	918,140	15,686	933,826	audited
Profit for the year		-	-	-	178,116	-	-	-	178,116	3,033	181,149	
Other comprehensive income for the year		-	-	-	(818)	(67,536)	4,176	(63,360)	(64,178)	(1,951)	(66,129)	
Total comprehensive income for the year		-	-	-	177,298	(67,536)	4,176	(63,360)	113,938	1,082	115,020	
Transfer of revaluation result to retained earnings	20	-	-	-	1,856	-	(1,856)	(1,856)	-	-	-	
Share based payments		-	-	-	3,873	-	-	-	3,873	-	3,873	
Dividends paid		-	-	-	(110,620)	-	-	-	(110,620)	(4,438)	(115,058)	
Transactions in own shares		-	-	(13,217)	-	-	-	-	(13,217)	-	(13,217)	
Acquisition of non-controlling interest		-	-	-	(3,723)	-	-	-	(3,723)	(1,963)	(5,686)	
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	-	-	-	19,050	19,050	
Other movements		-	-	4,554	(6,328)	-	-	-	(1,774)	-	(1,774)	
Balance as at 30 June 2020		112,000	116,560	(19,857)	687,901	(66,566)	76,579	10,014	906,617	29,418	936,035	unaudited

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Condensed Interim Consolidated Financial Statements

1. General information

Euronext N.V. (“the Group” or “the Company”) is a public limited liability company incorporated and domiciled at Beursplein 5, 1012 JW Amsterdam in the Netherlands and is listed on all Continental Euronext local markets i.e. Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

The Group operates securities and derivatives exchanges in Continental Europe, Ireland and Norway. It offers a full range of exchange- and corporate services, including security listings, cash and derivatives trading, and market data dissemination. It combines the Amsterdam, Brussels, Dublin, Lisbon, Oslo and Paris exchanges in a highly integrated, cross-border organisation.

The Group also has a securities exchange in London (Euronext London Ltd.), for which a request to terminate the license as per 30 June 2020, has been filed with the FCA. Further, the Group operates Interbolsa S.A. and Verdipapirsentralen ASA (“VPS”) (respectively the Portuguese and the Norwegian national Central Securities Depositories (“CSD”)) and has majority stakes in Euronext FX Inc. (a US-based Electronic Communication Network in the spot foreign exchange market) and Nord Pool (the leading power market in Europe). The Group’s in-house IT function supports its exchange operations. In addition, the Group provides software licenses as well as IT development and operation and maintenance services to third-party exchanges.

These Condensed Interim Consolidated Financial Statements were authorised for issuance by Euronext N.V.’s Supervisory Board on 29 July 2020.

2. Significant events and transactions

The following significant events and transactions have occurred during the six-months period ended 30 June 2020:

Acquisition of Nord Pool Holding AS (“Nord Pool”)

On 15 January 2020, Euronext completed the acquisition of 66% of the share capital and voting rights in Nord Pool, which runs a leading physical power market in Europe. The total purchase consideration of the transaction amounted to €65.4 million (see Note 6).

Acquisition of VP Securities AS

On 23 April 2020, the Group announced it had entered into definitive agreements to acquire c.70% of the shares of VP Securities AS, the Danish Central Securities Depository (CSD). The price offered for 100% of the shares is DKK1.12bn (€150 million). The Group has opened an offer to all remaining shareholders, at the same terms and conditions.

The transaction was subject to regulatory approvals, which were received on 15 July 2020. As per that date, Euronext had already secured strong support from existing shareholders of VP Securities with shareholders representing 90.68% of the total shares having already accepted Euronext’s offer. For more details on the acquisition, reference is made to Note 23 ‘Events after the reporting period’.

Payment of contingent consideration payable and exercise of put option for remaining shares in Company Webcast B.V.

On 25 March 2020, the Group paid the €5.0 million contingent consideration payable to Company Webcast B.V., as part of the 51% majority stake that was acquired on 14 February 2017 (see Note 20).

In addition, the minority shareholders exercised their put option for selling the remaining 49% of the shares in Company Webcast B.V. Consequently, the redemption liability of €22.3 million was paid, increasing the Group’s ownership to 100% in Company Webcast B.V. (see Notes 5, 6 and 20).

Prior to payment of both liabilities, a revaluation result of €160k was recognised on the line *Change in fair value of financial liabilities* in Profit or Loss (see note 12).

Payment of contingent consideration payable and exercise of call option for remaining shares in InsiderLog AB

On 11 February 2020, the Group paid the €3.6 million contingent consideration payable to InsiderLog AB, as part of the 80% majority stake that was acquired on 17 January 2018 (see Note 20). Prior to payment, a revaluation result of €70k was recognised on the line *Change in fair value of financial liabilities* in Profit or Loss (see note 12).

In addition, the Group exercised its call option for the remaining 20% of the shares in InsiderLog AB for an amount of €5.7 million, recognised directly in shareholders’ equity, increasing the Group’s ownership to 100% in InsiderLog AB (see Notes 5 and 6).

Bond issue

On 22 June 2020, the Group successfully priced a tap offering of €250 million on its outstanding Senior Unsecured Note #2, rated A- by S&P, which is listed on Euronext Dublin and maturing in June 2029. Settlement of this new bond was made on 29 June 2020. This increases the total principal amount bearing interest at an annual rate of 1.125% to €750 million (see Note 18).

The proceeds of the issue will be used to (i) finance the acquisition of the outstanding shares of VP Securities AS and (ii) for general corporate purposes in line with the Group’s strategy.

Long-term incentive plan 2020 (“LTI 2020”)

On 19 May 2020, a Long-Term Incentive plan (“LTI 2020”) was established under the revised Remuneration Policy that was approved by the AGM in October 2019. The LTI cliff vests after 3 years whereby performance criteria will impact the actual number of shares at vesting date. The share price for this grant at grant date was €88.00 and 117,656 Restricted Stock Units (“RSU’s”) were granted. The total share-based payment expense at the vesting date in 2023 is estimated to be €10.4 million. Compensation expense recorded for this LTI 2020 plan amounted to €0.3 million in the first half-year of 2020.

COVID-19 developments

The Group monitors the developments around the COVID-19 pandemic very closely. The current health situation has had no impact so far on the Group’s market operations. The Group has been able to ensure smooth and efficient running of critical functions and processes. Euronext markets remained open, servicing a highly volatile trading environment, positively impacting Euronext’s trading revenues.

As a result, the COVID-19 pandemic has no adverse impact on the Group’s financial statements for the six-month period ended 30 June 2020.

In the longer-term, a possible global recession might impact trading revenues due to a loss of volume. This might also have an impact on other business lines, notably the Listing business, which may see a decrease in IPOs.

The ultimate severity of the COVID-19 pandemic is uncertain and therefore the Group is not able to reasonably predict the impact it may have on its financial performance in the second half of the year.

3. Basis of preparation, significant accounting policies and judgments

Basis of preparation

The Group has prepared these Condensed Interim Consolidated Financial Statements in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Group’s Consolidated Financial Statements as of and for the fiscal year ended 31 December 2019, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

Significant accounting policies and judgments

The principal accounting policies and critical accounting estimates and judgments applied in the preparation of these Condensed Interim Consolidated Financial Statements are the same as those described in the Consolidated Financial Statements as of and for the year ended 31 December 2019, except for (i) taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction, (ii) the adoption of new and amended standards effective as of 1

January 2020, and (iii) a new accounting policy for recognition of material revenues in Nord Pool.

The new accounting policy and new and amended standards effective as of 1 January 2020 are set out below.

New accounting policies

Revenue recognition – power trading

Nord Pool earns trading fees for execution of power trades (MWh) in the physical market. Customers obtain control over the service provided at execution of the trade, which is the only performance obligation. Revenue is recognised at that point in time.

New IFRS standards, amendments and interpretations

A number of new or amended standards became applicable for the current reporting period, but did not have a material impact on the Group’s Condensed Interim Consolidated Financial Statements:

- Amendments to IFRS 3 ‘*Definition of a Business*’
- Amendments to IAS 1 and IAS 8 ‘*Definition of Material*’
- Amendments to IFRS 7, IFRS 9 and IAS 39 ‘*Interest Rate Benchmark Reform*’
- Revised Conceptual Framework for Financial Reporting

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Impact of standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2020, which the Group has not applied in preparing these Condensed Interim Consolidated Financial Statements.

In the Consolidated Financial Statements of the Group as of and for the year ended 31 December 2019, the (potential) impact for a number of these new standards and amendments were mentioned. No updates on these mentioned new standards and amendments are to be reported in these Condensed Interim Consolidated Financial Statements.

Other new standards and amendments to standards that were not mentioned in the Consolidated Financial Statements of the Group as of and for the year ended 31 December 2019, are mentioned below:

- Amendments to IAS 1 ‘*Classification of liabilities as Current or Non-current*’
- Amendments to IFRS 3 ‘*Reference to Conceptual framework*’
- Amendments to IAS 16 ‘*Proceeds before Intended Use*’
- Amendments to IAS 37 ‘*Onerous Contracts - Cost of Fulfilling a Contract*’
- Annual improvement Cycle – amendments and clarifications for IFRS 1, IFRS 9, IFRS 16 and IAS 41

Given the effective date of 1 January 2022, the Group is still assessing the impact of these amendments and clarifications.

4. Segment information

Segments are reported in a manner consistent with how the business is operated and reviewed by the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker of the Group is the Managing Board. The organisation of the Group reflects the high level of

mutualisation of resources across geographies and product lines. Operating results are monitored on a group-wide basis and, accordingly, the Group represents one operating segment and one reportable segment. Operating results reported to the Managing Board are prepared on a measurement basis consistent with the reported Condensed Interim Consolidated Statement of Profit or Loss.

5. Group information

The following table provides an overview of the Group's subsidiaries, associates, joint ventures and non-current investments:

Subsidiaries	Domicile	Ownership	
		As at 30 June 2020	As at 31 December 2019
Enternext S.A.	France	100.00%	100.00%
Euronext Amsterdam N.V.	The Netherlands	100.00%	100.00%
Euronext Brussels S.A./N.V.	Belgium	100.00%	100.00%
Euronext IP & IT Holding B.V.	The Netherlands	100.00%	100.00%
Euronext Hong Kong Limited	Hong Kong	100.00%	100.00%
Euronext Lisbon S.A. (a)	Portugal	100.00%	100.00%
Euronext London Ltd.	United Kingdom	100.00%	100.00%
Euronext Paris S.A.	France	100.00%	100.00%
Euronext Technologies S.A.S.	France	100.00%	100.00%
Euronext Technologies Unipessoal Lda.	Portugal	100.00%	100.00%
Interbolsa S.A. (b)	Portugal	100.00%	100.00%
The Irish Stock Exchange Plc. (c)	Ireland	100.00%	100.00%
ISE Old Co. Ltd.	Ireland	100.00%	100.00%
Irish Stock Exchange Services Ltd.	Ireland	100.00%	100.00%
European Wholesale Markets Ltd.	Malta	80.00%	80.00%
Euronext Corporate Services B.V.	The Netherlands	100.00%	100.00%
Company Webcast B.V. (d)	The Netherlands	100.00%	51.00%
iBabs B.V.	The Netherlands	60.00%	60.00%
MSI Services B.V.	The Netherlands	60.00%	60.00%
IR Soft Ltd.	United Kingdom	100.00%	100.00%
InsiderLog AB (e)	Sweden	100.00%	80.00%
Euronext US Inc.	United States	100.00%	100.00%
Euronext Synapse LLC	United States	100.00%	100.00%
Euronext Markets Americas LLC	United States	100.00%	100.00%
Euronext FX Inc.	United States	97.30%	97.30%
Euronext Markets Singapore Pte Ltd.	Singapore	97.30%	97.30%
Euronext UK Holdings Ltd.	United Kingdom	100.00%	100.00%
Commcise Software Ltd.	United Kingdom	78.00%	78.00%
Commcise India Pltd.	India	78.00%	78.00%
Oslo Børs VPS Holding ASA	Norway	100.00%	100.00%
Oslo Børs ASA	Norway	100.00%	100.00%
Verdipapirsentralen ASA ("VPS")	Norway	100.00%	100.00%
Oslo Market Solutions AS	Norway	100.00%	100.00%
Fish Pool ASA	Norway	97.00%	97.00%
Centevo AB	Sweden	100.00%	100.00%
NOTC AS	Norway	100.00%	100.00%
Euronext Nordics Holding AS	Norway	100.00%	100.00%
Finance Web Working SAS (f)	France	60.00%	60.00%
Nord Pool Holding AS (g)	Norway	66.00%	0.00%
Nord Pool AS (g)	Norway	66.00%	0.00%
Nord Pool Finland Oy (g)	Finland	66.00%	0.00%
Nord Pool AB (g)	Sweden	66.00%	0.00%
Nord Pool Consulting AS (g)	Norway	66.00%	0.00%
European Market Coupling Operator AS (g)	Norway	66.00%	0.00%
European Market Coupling Operator AB (g)	Sweden	66.00%	0.00%
European Market Coupling Operator OY (g)	Finland	66.00%	0.00%
Black Woodpecker Software Oy (h)	Finland	100.00%	0.00%
Stichting Euronext Foundation (i)	The Netherlands	0.00%	0.00%
Associates			
Tredzone S.A.S. (j)	France	0.00%	34.04%
European Central Counterparty N.V.	The Netherlands	20.00%	20.00%
LCH SA	France	11.10%	11.10%
Tokeny Solutions	Luxembourg	23.50%	23.50%
Joint Ventures			
Algonext Ltd.	United Kingdom	50.00%	50.00%
LiquidShare S.A.	France	16.23%	16.23%
Finansnett Norge	Norway	50.00%	50.00%
Non-current investments			
Sicovam Holding S.A.	France	9.60%	9.60%
Euroclear S.A./N.V.	Belgium	3.53%	3.53%
Nordic Credit Rating AS	Norway	5.00%	5.00%
Association of National Numbering Agencies	Belgium	2.20%	2.20%
Investor Compensation Company Designated Activity Company	Ireland	33.30%	33.30%
Algomi Ltd. (k)	United Kingdom	0.00%	7.74%

(a) Legal name of Euronext Lisbon S.A. is Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

(b) Legal name of Interbolsa S.A. is Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.

(c) The Irish Stock Exchange plc. operates under the business name Euronext Dublin

- (d) On 25 March 2020, the Group increased its ownership in Company Webcast B.V. to 100% (see Note 6)
- (e) On 11 February 2020, the Group increased its ownership in Insiderlog AB to 100% (see Note 6)
- (f) Finance Web Working SAS is operating under the business name Euronext Funds360 (or OPCVM360)
- (g) On 15 January 2020, the Group acquired 66% of the share capital and voting rights in Nord Pool Holding AS (see Note 6)
- (h) On 2 June 2020, the Group acquired 100% of the shares in Black Woodpecker Software Oy, operating under the business name Ticker (see Note 6)
- (i) Stichting Euronext Foundation is not owned by the Group but included in the scope of consolidation
- (j) On 10 March 2020, Tredzone S.A.S. was dissolved
- (k) On 6 March 2020, the Group sold its 7.74% investment in Algomi Ltd (see Note 20)

6. Business combinations

The acquisitions that occurred during the six months period ended 30 June 2020 are set out below.

6.1 Acquisition of Nord Pool Holding AS (“Nord Pool”)

On 15 January 2020, Euronext completed the acquisition of 66% of the share capital and voting rights in Nord Pool, the second largest power market in Europe, for a cash consideration of €65.4 million.

With the acquisition of Nord Pool, Euronext diversifies its revenue mix by entering the power market, and reinforces its commodity franchise. This transaction also contributes to the Group’s ambition to grow its presence in the Nordic region and further strengthens Oslo as Euronext’s main hub in the Nordics. The Transmission System Operators (TSOs), formerly the sole owners, will retain a 34% stake in Nord Pool Holding AS.

Details of the purchase consideration, the net assets acquired and goodwill are reflected in the tables below.

Purchase consideration:

<i>In thousands of euros</i>	Fair Value
Cash paid	65,429
Total purchase consideration	65,429

The assets and liabilities recognised as a result of the acquisition are as follows:

<i>In thousands of euros</i>	Fair Value
Assets	
Property, plant and equipment	549
Right-of-use assets	2,272
Intangible assets: brand names	3,736
Intangible assets: customer relations	16,325
Intangible assets: software platform	13,304
Other intangible assets	2,036
Deferred tax assets	162
Derivatives financial instruments	12
Trade and other receivables	95,330
Cash and cash equivalents	163,316
Liabilities	
Non-current lease liabilities	(1,547)
Deferred tax liabilities	(7,340)
Post-employment benefits	(278)
Current lease liabilities	(727)
Current income tax liabilities	(1,900)
Trade and other payables	(229,219)
Net identifiable assets acquired	56,031
Less: non-controlling interest	(19,051)
Add: Goodwill	28,449
Total purchase consideration	65,429

The goodwill is primarily attributable to the expected synergies and other benefits from combining the assets and activities of Nord Pool, with those of the Group. The goodwill is not deductible for income tax purposes. See Note 15 for the changes in goodwill as a result from the acquisition.

Acquired receivables

The fair value of trade and other receivables was €95.3 million, and included €89.9 million of trade receivables, which is not materially different to the gross contractual amount. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

Non-controlling interest

The Group has chosen to recognise the non-controlling interest at the proportionate share of the net assets acquired. As such, non-controlling interest on acquisition amounted to €19.1 million (34% of €56.0 million).

Revenue and profit contribution

From the date of the acquisition, Nord Pool has contributed €18.5 million of revenue and €2.4 million of net profit to the Group. If the acquisition would have occurred on 1 January 2020, consolidated revenue and consolidated net profit for the six months ended 30 June 2020 would have been €467.7 million and €180.7 million respectively.

Acquisition related costs

Acquisition related costs of €2.1 million were expensed and recognised in professional services. The majority of these costs (€1.9 million) were recognised in the statement of profit or loss for the year ended 31 December 2019.

6.2 Acquisition of Black Woodpecker Software Oy (“Ticker”)

On 2 June 2020, the Group acquired 100% of the share capital in Black Woodpecker Software Oy, a regulatory technology specialist from Finland, for a cash consideration of €1.7 million, plus a contingent earn-out payment depending on future financial performance. At acquisition date this contingent earn-out payment was valued at €1.0 million and was recognised in *other current financial liabilities*, with subsequent measurement through profit or loss. The net assets acquired were not material and the related goodwill amounted to €2.6 million. See Note 15 for the changes in goodwill as a result from the acquisition.

6.3 Acquisition of additional interest by exercise of put option for remaining shares in Company Webcast B.V.

On 25 March 2020, the minority shareholders exercised their put option for selling the remaining 49% of the shares in Company Webcast B.V., increasing the Group's ownership to 100%.

Cash consideration of €22.3 million was paid to the non-controlling shareholders. As a consequence, the related redemption liability that the Group had recognised on acquisition, was derecognised.

Prior to payment, a revaluation result of €0.1 million was recognised on the line *Change in fair value of financial liabilities* in Profit or Loss (see Note 12).

The Group recognised a decrease in non-controlling interest of €1.7 million.

The effect on the shareholders equity during the first six months of 2020 is summarized below:

In thousands of euros

Consideration paid to non-controlling interests	(22,296)
Derecognition of redemption liability	22,296
Carrying amount of non-controlling interest acquired	1,660
Difference recognised in retained earnings	1,660

6.4 Acquisition of additional interest by exercise of call option for remaining shares in InsiderLog AB

On 11 February 2020, the Group exercised its call option, previously recognised as a derivative financial instrument at fair value, for the remaining 20% of the shares in InsiderLog AB, increasing the Group's ownership to 100%.

Cash consideration of €5.7 million was paid to the non-controlling shareholders, which was recognised directly against shareholders' equity.

The Group recognised a decrease in non-controlling interest of €0.3 million.

The effect on the shareholders equity during the first six months of 2020 is summarized below:

In thousands of euros

Consideration paid to non-controlling interests	(5,686)
Carrying amount of non-controlling interest acquired	303
Difference recognised in retained earnings	(5,383)

7. Revenue and geographical information

Revenue from contracts with customers

Substantially all of the Group's revenues are considered to be revenues from contracts with customers.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the six months ended 30 June:

In thousands of euros	Six months ended 30 June 2020	Timing of revenue recognition		Six months ended 30 June 2019	Timing of revenue recognition	
		Product or service transferred at a point in time	over time		Product or service transferred at a point in time	over time
Listing	71,507	5,254	66,253	57,692	3,913	53,779
Trading revenue	201,203	201,203	-	131,226	131,226	-
of which						
Cash trading	145,993	145,993	-	99,035	99,035	-
Derivatives trading	26,780	26,780	-	20,990	20,989	-
FX trading	14,619	14,619	-	11,201	11,201	-
Power trading	13,811	13,811	-	-	-	-
Investor services	3,613	111	3,502	2,313	-	2,313
Advanced data services	70,696	1,099	69,597	61,693	-	61,693
Post-trade	75,291	53,052	22,239	40,672	29,134	11,538
of which						
Clearing	34,771	34,771	-	27,410	27,410	-
Custody & Settlement and other	40,520	18,282	22,239	13,262	1,724	11,538
Euronext Technology solutions & other revenue	25,187	1,337	23,850	17,937	322	17,615
Other income	43	43	-	85	85	-
Total revenue from contracts with customers	447,540	262,100	185,440	311,618	164,680	146,938

The Group's power trading revenue is closely correlated to seasonal fluctuations caused by higher energy demands in winter versus lower energy demands in summer. The Group's other revenue streams are not subject to significant seasonality patterns, except that there are generally lower trading volumes and listing admissions in August. Trading volumes are subject to potential volatility.

Geographical information

Set out below is the geographical information of the Group's revenue:

In thousands of euros	France	Netherlands	United Kingdom	Belgium	Portugal	Ireland	United States	Norway	Sweden	Finland	Hong Kong	Total
Six months ended 30 June 2020												
Revenue from contracts with customers	193,691	103,986	2,812	17,899	17,253	19,844	15,234	72,901	3,876	36	8	447,540
Six months ended 30 June 2019												
Revenue from contracts with customers	159,954	82,792	2,400	16,169	16,974	16,716	11,329	4,473	790	-	21	311,618

Cash trading, Derivatives trading, Clearing and Advanced data services revenues are attributed to the country where the exchange is domiciled. Revenues from other categories are attributed to the billing entity.

8. Salaries and employee benefits

In thousands of euros	Six months ended	
	30 June	30 June
	2020	2019
Salaries and other short term benefits	(65,621)	(47,708)
Social security contributions	(18,857)	(14,496)
Share-based payment costs	(3,885)	(2,479)
Pension cost - defined benefit plans	(1,337)	(644)
Pension cost - defined contribution plans	(1,955)	(1,303)
Total	(91,655)	(66,630)

The first half-year of 2020 includes the impact from acquisition of Nord Pool as from the date of control. Furthermore, it includes the full impact from Oslo Børs VPS which was acquired last year.

9. Depreciation and amortization

In thousands of euros	Six months ended	
	30 June	30 June
	2020	2019
Depreciation of tangible fixed assets	(4,916)	(3,776)
Amortisation of intangible fixed assets	(14,646)	(8,549)
Amortisation of right-of-use assets	(6,915)	(5,420)
Total	(26,477)	(17,745)

Depreciation and amortisation primarily increased due the impact of acquired subsidiaries Nord Pool and Oslo Børs VPS, as from their acquisition dates. As a result, amortisation of intangible fixed assets contains €9.6 million of software and customer relations amortisation (2019: €4.5 million).

10. Other operational expenses

In thousands of euros	Six months ended	
	30 June	30 June
	2020	2019
Systems and communications	(17,684)	(12,025)
Professional services	(25,103)	(15,766)
Clearing expenses	(17,214)	(14,649)
Accommodation	(3,255)	(2,326)
Other expenses (a)	(17,182)	(12,864)
Total	(80,438)	(57,630)

(a) Other expenses include marketing, taxes, insurance, travel, professional membership fees and other expenses.

11. Exceptional items

In thousands of euros	Six months ended	
	30 June	30 June
	2020	2019
Restructuring costs	(683)	(981)
Acquisition costs	(625)	(10,148)
Settlement Algomi investment and related items	-	(1,341)
Termination of contracts	308	-
Litigation provisions/settlements	(279)	-
Onerous contract costs	(197)	(866)
Other	14	(9)
Total	(1,461)	(13,345)

For the six months ended 30 June 2020, the €0.7 million of restructuring costs related to termination expenses in the various Euronext entities. Transformational acquisition cost amounted to €0.6 million. A partial reversal of provision for termination of contracts in Oslo Børs VPS was recognised for €0.3 million. In addition, €0.3 million of litigation provision and €0.2 million of onerous contract cost were recognised.

For the six months ended 30 June 2019, the €1.0 million of restructuring costs related to expenses for employee termination benefits in various Euronext locations. Transformational acquisition cost, primarily related to the acquisition of Oslo Børs VPS, amounted to €10.1 million. In addition, €1.3 million of settlement fees and €0.9 million of onerous contract cost were recognised.

12. Net financing income / (expense)

In thousands of euros	Six months ended	
	30 June	30 June
	2020	2019
Interest expense (effective interest method)	(7,138)	(4,437)
Interest in respect of lease liabilities	(249)	(271)
Finance costs	(7,387)	(4,708)
Contingent consideration payables (see Note 20)	(98)	-
Redemption liabilities (see Note 20)	(131)	-
Change in fair value of financial liabilities	(229)	-
Interest income (effective interest method)	183	798
Interest income from interest rate swaps	2,421	2,471
Hedging result	173	207
Gain / (loss) on disposal of treasury investments	-	243
Net foreign exchange gain/(loss)	332	(182)
Other net financing income/(expense)	3,109	3,537
Total	(4,507)	(1,171)

The six months period ended 30 June 2020, includes the full half-year impact of *interest expense* from the Bond arrangement entered into in June 2019 (see Note 18).

13. Share of net profit/(loss) of associates and joint ventures

The share of net profit /(loss) of associates and joint ventures is primarily contribution by associate LCH SA for €4.5 million (2019: €3.3 million).

14. Income tax expense

Income tax expense for the interim period is recognised by reference to management's estimate of the weighted average income tax rate expected for the full fiscal year, with the exception of discrete "one-off" items which are recorded in full in the interim period.

The effective tax rate decreased from 30.0% for the six months ended 30 June 2019 to 26.8% for the six months ended 30 June 2020.

15. Goodwill and other intangible assets

The Goodwill and other intangible assets held by the Group increased primarily as a result of the acquisition of Nord Pool. See Note 6 for further information on this acquisition.

<i>In thousands of euros</i>	Goodwill	Internally developed software	Purchased softw. Constr. in Pr. Patents & TrMrk	Intangible assets recognised on acquisition of subsidiaries			Total
				Software	Customer Relations	Brand Names	
As at 31 December 2019							
Cost	1,145,397	140,018	49,167	51,963	296,836	7,299	1,690,680
Accumulated amortisation and impairment	(53,341)	(109,795)	(44,113)	(11,152)	(13,519)	-	(231,920)
Net book amount	1,092,056	30,223	5,054	40,811	283,317	7,299	1,458,760
As at 1 January 2020 net book amount							
Exchange differences	(50,035)	(317)	(55)	(4,178)	(20,909)	(321)	(75,815)
Additions	-	3,144	503	-	-	-	3,647
Transfers and other	758	289	(797)	-	-	-	250
Acquisitions of subsidiaries (Note 6)	31,065	1,984	420	13,304	16,325	3,736	66,834
Amortisation charge (Note 9)	-	(3,597)	(889)	(4,316)	(5,844)	-	(14,646)
As at 30 June 2020 net book amount	1,073,844	31,726	4,236	45,621	272,889	10,714	1,439,030
As at 30 June 2020							
Cost	1,128,136	149,571	50,302	60,757	291,824	10,714	1,691,304
Accumulated amortisation and impairment	(54,292)	(117,845)	(46,066)	(15,136)	(18,935)	-	(252,274)
Net book amount	1,073,844	31,726	4,236	45,621	272,889	10,714	1,439,030

As there were no indicators for impairment, management has not updated any of the impairment calculations as per 30 June 2020.

16. Shareholders' equity

Under the Articles of Association, Euronext's authorised share capital amounts to €200,000,001.60 and is divided into 125,000,000 Ordinary Shares, each with a nominal value of €1.60 per share and one Priority Share with a nominal value of €1.60. All of Euronext's shares have been or will be created under Dutch law.

As of 30 June 2020, Euronext's issued share capital amounts to €112,000,000 and is divided into 70,000,000 Ordinary Shares. The Priority Share is currently not outstanding. The fully paid ordinary shares carry one vote per share and rights to dividends, if declared. The Group's ability to declare dividends is limited to distributable reserves as defined by Dutch law.

Dividend

On 14 May 2020, the Annual General Meeting of shareholders voted for the adoption of the proposed €1.59 dividend per ordinary share. On 22 May 2020, a dividend of €110.6 million has been paid to the shareholders of Euronext N.V.

Treasury shares

Overview of changes in treasury shares during the six-months period	# Shares 2020	# Shares 2019	Total Value 2020	Total Value 2019
			(In thousands of euros)	
Liquidity contract (a)	(5,000)	(15,724)	(418)	(753)
Share Repurchase Program (b)	200,000	-	13,635	-
From share-based payments (c)	(98,160)	-	(4,554)	-

(a) The movement in value of €0.4 million during the first half of 2020, relates to the transactions in Euronext N.V. shares conducted by the liquidity provider on behalf of the Group under the liquidity contract established.

(b) Under the Share Repurchase Program, 200,000 shares were repurchased by the Group during the first half of 2020.

(c) 98,160 shares were delivered to employees for whom share plans had already vested during the first half of 2020.

17. Earnings per Share

Basic

Earnings per share are computed by dividing profit attributable to the shareholders of the Company by the weighted average number of shares outstanding for the period. The number of weighted average shares used for the basic earnings per share calculation for the six months ended 30 June 2020 was 69,673,237 (30 June 2019: 69,632,688).

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share plans the dilution was determined by the number of shares that could have been acquired at fair value (determined as the average quarterly market price of

Euronext's shares) based on the fair value (measured in accordance with IFRS 2) of any services to be supplied to Euronext in the future under the share plan. The number of weighted average shares used for the diluted earnings per share calculation for the six months ended 30 June 2020 was 69,852,672 (30 June 2019: 69,952,845).

18. Borrowings

<i>In thousands of euros</i>	Balance at 31 December 2019	New issues	Repayments	Fair Value adjustment to interest rate hedge	Other movements	Balance at 30 June 2020
Non-current						
Borrowings						
Senior Unsecured Note #1 (a)	519,866	-	-	4,226	-	524,092
Senior Unsecured Note #2	500,000	250,000	-	-	-	750,000
Discount, premium and issue costs	(9,478)	5,668	-	-	-	(3,811)
Amortisation discount, premium and issue costs	1,128	-	-	-	512	1,639
Other	12	6	-	-	-	17
Total	1,011,527	255,673	-	4,226	512	1,271,939
Current						
Borrowings						
Accrued interest	6,750	-	(10,852)	-	5,743	1,641
Total	6,750	-	(10,852)	-	5,743	1,641

(a) The 'Senior Unsecured Note #1' is carried at amortised cost and adjusted for fair value movements due to the hedged interest rate risk.

Bond Issue

On 22 June 2020, the Group successfully priced a tap offering of €250 million on its outstanding Senior Unsecured Note #2, rated A- by S&P, which is listed on Euronext Dublin. Settlement of this new bond was made on 29 June 2020. This Bond will mature in June 2029. This increases the total principal amount bearing interest at an annual rate of 1.125% to €750 million.

The proceeds of the issue will be used to (i) finance the acquisition of the outstanding shares of VP Securities AS (see Note 23) and (ii) for general corporate purposes in line with the Group's strategy.

The Bond issue included €5.7 million of Bond premium and issue costs, which are subsequently accounted for under the Effective Interest Rate method.

Revolving Credit Facility ("RCF")

The Group has a revolving credit facility agreement of €400.0 million that allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii) satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition.

The revolving credit facility has a maturity of 5 years plus a two-year extension possibility and bears an interest rate of EURIBOR plus a margin of 0.30%, based on the "A-" rating.

As per 30 June 2020, no amounts were drawn under the revolving credit facility.

Euronext is required to maintain compliance with a maximum leverage ratio if the credit rating would drop below BBB+. The maximum leverage ratio measures Euronext total gross debt to EBITDA (as such terms are defined in the Facilities Agreement). Euronext is required to maintain a leverage ratio of no more than 3.5x.

19. Derivatives financial instruments

Fair value hedges for interest rate risk

In relation to the 1% fixed-rate €500 million Senior Unsecured Note #1, issued in April 2018, the Group uses interest rate swap agreements (formally designated as fair value hedges) to reduce the variability of the fair value of the Senior Unsecured Note #1 attributable to the change in interest rate, allowing it to transform the fixed rate exposure to floating rate.

During the six months ended 30 June 2020, the ineffective part of the hedge was a profit of €0.2 million recognised in 'hedging result' in the Consolidated Statement of Profit or

Loss. The aggregate fair value of the interest rate swaps as at 30 June 2020 amounted to €23.8 million and is included in 'derivative financial assets' (see Note 20).

Hedge of net investment in foreign operations

The Group has designated a EUR/GBP foreign exchange contract as a hedge of the investment in Commcise Software Ltd., a Group subsidiary in the United Kingdom.

On 20 December 2019, the Group entered into a EUR/GBP foreign exchange contract with a notional amount of £27.1 million, which expired on 21 June 2020. The hedge did not cause material ineffectiveness.

On 21 June 2020, the Group entered into a new EUR/GBP foreign exchange contract with a notional amount of £27.3 million, expiring in six months. The hedge did not cause material ineffectiveness.

During the six months ended 30 June 2020, a gain of €2.2 million on the translation of the foreign exchange forward contracts was transferred to other comprehensive income. The aggregate fair value of the foreign exchange forward contract as at 30 June 2020 amounted to €0.4 million and is included in 'derivative financial assets' (see note 20).

The Group does not hold or issue any derivative instruments for trading or speculative purposes.

20. Financial instruments

Set out below are the financial instruments held by the Group as at 30 June 2020 and 31 December 2019.

20.1 Financial instruments by category

<i>In thousands of euros</i>	As at 30 June 2020			Total
	Amortised cost	FVOCI equity instruments	FVPL	
Financial assets				
Financial assets at fair value through other comprehensive income	-	199,642	-	199,642
Financial assets at amortised cost	2,463	-	-	2,463
Trade and other receivables	185,379	-	-	185,379
Derivative financial instruments	-	-	24,180	24,180
Other current financial assets	37,068	-	-	37,068
Cash and cash equivalents	622,328	-	-	622,328
Total	847,238	199,642	24,180	1,071,060
Financial liabilities				
Borrowings (non-current)	1,271,939	-	-	1,271,939
Lease liabilities (non-current)	34,833	-	-	34,833
Borrowings (current)	1,641	-	-	1,641
Lease liabilities (current)	14,706	-	-	14,706
Other current financial liabilities (a)	-	-	1,013	1,013
Trade and other payables	190,907	-	-	190,907
Total	1,514,026	-	1,013	1,515,039

(a) Consists of the contingent consideration payable related to Black Woodpecker Software Oy of €1.0 million (see Note 6).

<i>In thousands of euros</i>	As at 31 December 2019			Total
	Amortised cost	FVOCI equity instruments	FVPL	
Financial assets				
Financial assets at fair value through other comprehensive income	-	197,821	-	197,821
Financial assets at amortised cost	1,503	-	-	1,503
Trade and other receivables	125,376	-	-	125,376
Derivative financial instruments	-	-	19,353	19,353
Other current financial assets	12,118	-	-	12,118
Cash and cash equivalents	369,822	-	-	369,822
Total	508,819	197,821	19,353	725,993
Financial liabilities				
Borrowings (non-current)	1,011,527	-	-	1,011,527
Lease liabilities (non-current)	41,180	-	-	41,180
Borrowings (current)	6,750	-	-	6,750
Derivative financial instruments	-	-	141	141
Lease liabilities (current)	13,970	-	-	13,970
Other current financial liabilities (a)	-	-	30,675	30,675
Trade and other payables	117,298	-	-	117,298
Total	1,190,725	-	30,816	1,221,541

(a) Consists of (i) contingent consideration payables related to Company Webcast B.V. and InsiderLog AB of respectively €5.0 million and €3.6 million, and (ii) redemption liability of €22.2 million related to Company Webcast B.V. These were paid out during the first six-months of 2020.

20.2 Fair value measurement

This note provides an update on the judgments and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

20.2.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs that are based on observable market data, directly or indirectly
- Level 3: unobservable inputs

<i>In thousands of euros</i>	Level 1	Level 2	Level 3	Total
As at 30 June 2020				
Assets				
Financial assets at FVOCI				
Unlisted equity securities	-	-	199,642	199,642
Financial assets at FVPL				
Hedging derivatives - interest rate swaps	-	23,752	-	23,752
Hedging derivatives - foreign exchange forward contract - GBP	-	428	-	428
Total assets	-	24,180	199,642	223,822
Liabilities				
Financial liabilities at FVPL				
Contingent consideration payables	-	-	1,013	1,013
Total liabilities	-	-	1,013	1,013
As at 31 December 2019				
Assets				
Financial assets at FVOCI				
Unlisted equity securities	-	-	197,821	197,821
Financial assets at FVPL				
Hedging derivatives - interest rate swaps	-	19,353	-	19,353
Total assets	-	19,353	197,821	217,174
Liabilities				
Financial liabilities at FVPL				
Hedging derivatives - foreign exchange forward contract - GBP	-	141	-	141
Contingent consideration payables	-	-	8,510	8,510
Redemption liability	-	-	22,165	22,165
Total liabilities	-	141	30,675	30,816

20.2.2 Fair value measurements using observable inputs (level 2)

The fair value of interest rate swaps is calculated as the present value of the estimated future net cash flows based on observable yield curves at the reporting date. The fair value of foreign exchange forwards is calculated as the present value of future net cash flows based on the forward exchange rates at the balance sheet date. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2020.

20.2.3 Fair value measurements using unobservable inputs (level 3)

The following table shows the changes in level 3 instruments for the six-months period ended 30 June 2020:

<i>In thousands of euros</i>	Unlisted equity securities	Contingent consideration payables	Redemption liability	Total
As at 31 December 2019	197,821	(8,510)	(22,165)	167,145
Revaluations recognised in OCI	4,473	-	-	4,473
Revaluations recognised in P&L	-	(98)	(131)	(229)
Additions / (disposals)	(2,626)	-	-	(2,626)
Payments	-	8,608	22,296	30,904
Acquisitions	-	(1,013)	-	(1,013)
Exchange differences	(26)	-	-	(26)
As at 30 June 2020	199,642	(1,013)	-	198,629

There were no transfers between the levels of fair value hierarchy in the six months period ended 30 June 2020.

Valuation process

Concerning the valuation process for fair value measurement categorised within level 3 of the fair value hierarchy, the Group's central treasury department collects and validates the available level 3 inputs and performs the valuation according to the Group's valuation methodology for each reporting period. The fair value estimates are discussed with-, and challenged by the Group Financial Director and the Chief Financial Officer. Periodically the values of investments categorized in "level 3" are validated by staff with extensive knowledge of the industry in which the invested companies operate. Although valuation techniques are applied consistently as a principle, Management, upon advice from the Group's valuation experts, may decide to replace a valuation technique if such a change would improve the quality or the reliability of the valuation process.

Unlisted equity securities in Euroclear plc and Sicovam Holding S.A.

For measuring fair value of its long-term investments in unlisted equity securities in Euroclear plc. and Sicovam Holding S.A. the Group applied the Gordon valuation technique as its primary valuation method with normalised return on equity and expected dividend growth rate as key non-observable parameters. For the valuation the Group considers also observable transactions. In addition, for measuring the fair value of Sicovam Holding S.A, the Group applied an illiquidity discount as an unobservable input for which a sensitivity impact of +10%/(-10%) would amount to a decrease/(increase) of €6.4 million (2019: €6.3 million) in the fair value.

As per 30 June 2020, the key assumptions used in the Gordon valuation model were as follows:

In thousands of euros	Fair value at 30 June 2020	Unobservable inputs *)	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value	
				Increase	decrease
Euroclear Plc	141,731	Return on equity	7.9% - 8.9% (8.4%)	4,685	(6,234)
		Expected dividend growth rate	0.8% - 1.8% (1.3%)		
Sicovam Holding S.A.	57,578	Return on equity	7.9% - 8.9% (8.4%)	1,822	(2,425)
		Expected dividend growth rate	0.8% - 1.8% (1.3%)		

*) There were no significant inter-relationships between unobservable inputs that materially affect fair value

As per 31 December 2019, the key assumptions used in the Gordon valuation model were as follows:

In thousands of euros	Fair value at 31 December 2019	Unobservable inputs *)	Range of inputs (probability- weighted average)	Relationship of unobservable inputs to fair value	
				Increase	decrease
Euroclear Plc	140,401	Return on equity	7.9% - 8.9% (8.4%)	4,283	(5,816)
		Expected dividend growth rate	0.73% - 1.73% (1.23%)		
Sicovam Holding S.A.	57,061	Return on equity	7.9% - 8.9% (8.4%)	1,666	(2,262)
		Expected dividend growth rate	0.73% - 1.73% (1.23%)		

*) There were no significant inter-relationships between unobservable inputs that materially affect fair value

The sensitivity analysis shows the impact on fair value using the most favorable combination (increase), or least favorable combination (decrease) of the unobservable inputs per investment in unlisted equity securities.

Unlisted equity securities in Algomi Ltd.

On 6 March 2020, the Group sold its 7.74% minority stake in Algomi Ltd. to BGC Partners for a consideration of €2.6 million, comprising €1.9 million of cash receipt and €0.7 million of deferred receivable, pending any post-transaction settlements.

In Q1 2020, the investment was remeasured to fair value through Other Comprehensive Income at €2.6 million. Subsequently, the investment was derecognised and the realised portion of the historical revaluation gain (equal to the cash receipt of €1.9 million) was transferred within equity from FVOCI reserve to retained earnings.

Contingent consideration payables and redemption liability

The contingent consideration payables related to Company Webcast B.V. and InsiderLog AB of €5.0 million and €3.6 million respectively and the redemption liability related to Company Webcast B.V. of €22.3 million were paid in full during the six months ended 30 June 2020, with any remaining revaluation result recognised in Profit or Loss (see note 12).

The acquisition of Black Woodpecker contained a contingent consideration payable, for which the fair value of €1.0 million was estimated based on a multiple of revenue.

20.2.4 Fair values of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For these instruments the fair values approximate their carrying amounts.

21. Related parties

21.1 Transactions with related parties

The Group has related party relationships with its associates and joint ventures. The nature of related party transactions in the six-month period ended 30 June 2020 do not significantly deviate from the nature of transactions as reflected in the financial statements as at and for the year ended 31 December 2019.

Transactions with subsidiaries are eliminated on consolidation. The interests in group companies are set out in Note 5.

21.2 Key management personnel

During the first six months of 2020, the following mutations in the Group's key management personnel have occurred:

Managing Board

As per 1 February 2020, Håvard Abrahamsen resigned from the Managing Board. At the Annual General Meeting held on 14 May 2020, Øivind Amundsen was appointed to the Managing Board and Georges Lauchard was appointed to the Managing Board subject to and with effect from the grant of regulatory approval, which was obtained on 8 July 2020.

Supervisory Board

As per 14 May 2020, Kerstin Günther retired from the Supervisory Board.

With the exception of the above there were no other changes in key management personnel during the six months ended 30 June 2020. Other arrangements with key management have remained consistent since 31 December 2019.

22. Contingencies

The Group is involved in a number of legal proceedings that have arisen in the ordinary course of Euronext's business. Set out below are the legal proceedings that had changes in status, compared to what has been reported in Note 38 "Contingencies" of the Group's Consolidated Financial Statements for the year ended 31 December 2019. No new material legal proceedings occurred during the six months ended 30 June 2020.

Euronext Amsterdam Pension Fund

On 25 April 2019, Euronext Amsterdam received an interlocutory judgment in the appeal it had filed against the decision of the Court in Euronext Amsterdam's dispute with approximately 120 retired and/or former employees. In this interlocutory judgement, the higher court intends to confirm the verdict of the judgement of 24 June 2016. However, the higher court needs further information to assess if Euronext can be sentenced to enter into a new implementation agreement ("uitvoeringsovereenkomst") with a pension provider who can provide the same or at least equal rights and warranties as set out in the implementation agreement 2007-2012, or the implementation agreement 2013; or subsidiary if Euronext can be sentenced to, as substitution for the implementation agreement, pay an amount of money to a pension provider to make sure that the pensioners will be placed in the same position as they would have been in the event the implementation agreement would have been continued unaltered. Euronext has been ordered to give this information on 25 June 2019. Euronext has provided the information.

The actuaries of Euronext had already calculated that the pensioners would have lower pension rights in the event that the implementation agreement would have been continued. These calculations are based on all the financial obligations of the implementation agreement and the financial position of the pension fund. Furthermore, the calculations are based on the legal parameters of the Pension Act 2007, therefore, Euronext has called for rejection of the claims of the pensioners because there is no financial loss. The pensioners have responded to this information on 23 July 2019.

On 28 July 2020, the higher court rendered its decision in the court case between Euronext Amsterdam and approximately 120 retired and/or former Euronext Amsterdam employees, united in an association. The higher court has ordered that Euronext Amsterdam is to pay for damages resulting from the loss of indexation perspective incurred by the claimants. Euronext Amsterdam is analysing and considering whether to lodge an appeal in cassation to the Supreme Court.

As the best estimate of the expenditure required to settle the expected financial loss is assessed as being not material, as of 30 June 2020, no provision has been booked in connection with this decision.

23. Events after the reporting period

Sale of investment in associate EuroCCP

On 1 July 2020, the Group sold its investment in associate EuroCCP for a consideration of €8.8 million. The investment, classified as an asset held for sale, will subsequently be derecognised.

Acquisition of VP Securities AS

On 15 July 2020, Euronext received regulatory approvals to acquire up to 100% of the share capital and voting rights in VP Securities AS.

Euronext has already secured strong support from existing shareholders of VP Securities with shareholders representing 90.68% of the total shares having already accepted Euronext's offer. Euronext's tag along offer to acquire the remaining shares in VP Securities will remain open until 31 August 2020.

According to the terms of the Euronext's tag along offer to the minority shareholders of VP Securities, shareholders having accepted the Euronext's offer will receive payment and shares will be transferred on or around 3 August 2020. Any other shareholders and shareholders with specific rights, accepting Euronext offer, before 31 August 2020, which is the latest date to accept Euronext's offer, will receive payment and shares will be transferred on or around 10 September 2020.

Following such settlements, Euronext intends to initiate a compulsory acquisition procedure to acquire the remaining shares not already tendered in accordance with the rules of the Danish Companies Act.

Amsterdam, 29 July 2020

Stéphane Boujnah

Chief Executive Officer and Chairman of the Managing Board

Giorgio Modica

Chief Financial Officer

Management Statement

The Company Management hereby declares that to the best of its knowledge:

- The interim condensed consolidated financial statements prepared in accordance with IAS 34 “Interim Financial Reporting”, give a true and fair view of the assets, liabilities, financial position and profit or loss of Euronext N.V. and the undertakings included in the consolidated as a whole; and
- The semi-annual report includes a fair review of the information required pursuant to section 5:25d(8) (9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 29 July 2020

Stéphane Boujnah
Chief Executive Officer and Chairman of the Managing Board

Giorgio Modica
Chief Financial Officer

Independent auditor's review report

To: the Managing Board and Supervisory Board of Euronext N.V.

Our conclusion

We have reviewed the condensed interim consolidated financial statements included in the accompanying semi-annual financial report of Euronext N.V. based in Amsterdam for the period from 1 January 2020 to 30 June 2020.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Euronext N.V. for the period from 1 January to 30 June 2020, is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

The condensed interim consolidated financial statements comprises:

- The condensed interim consolidated statement of profit or loss;
- The condensed interim consolidated statement of comprehensive income;
- The condensed interim consolidated balance sheet;
- The condensed interim consolidated statement of cash flows;
- The condensed interim consolidated statement of changes in equity;
- The notes comprising of a summary of the significant accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed interim consolidated financial statements section of our report.

We are independent of Euronext N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter relating to Covid-19 developments

The developments around the Covid-19 pandemic have a profound impact on people, society and on the economy. This impacts operational and financial performance of organizations and the assessment of the ability to continue as a going concern. The impact may continue to evolve. The condensed interim consolidated financial statements and our review report thereon reflect the conditions at the time of preparation. The impact of the developments on Euronext N.V. is disclosed in note 2 "Significant events and transactions" of the condensed interim consolidated financial statements. We draw attention to these disclosures. Our conclusion is not modified in respect of this matter.

Responsibilities of management for the condensed interim consolidated financial statements

Management is responsible for the preparation and presentation of the condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed interim consolidated financial statements that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing Euronext's financial reporting process.

Our responsibilities for the review of the condensed interim consolidated financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Updating our understanding of Euronext N.V. and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed interim consolidated financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Obtaining an understanding of internal control as it relates to the preparation of condensed interim consolidated financial statements;
- Making inquiries of management and others within Euronext N.V.;
- Applying analytical procedures with respect to information included in the condensed interim consolidated financial statements;
- Obtaining assurance evidence that the condensed interim consolidated financial statements agrees with, or reconciles to, Euronext's underlying accounting records;
- Evaluating the assurance evidence obtained;
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed interim consolidated financial statements;
- Considering whether the condensed interim consolidated financial statements has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amsterdam, 29 July 2020

Ernst & Young Accountants LLP

Signed by A.B. Roeders

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