Intertrust

Press release

Intertrust reports Q2 and H1 2020 results

Amsterdam, the Netherlands – 30 July 2020 – Intertrust N.V. ("Intertrust" or "Company") [Euronext: INTER], a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing in the international business environment, today publishes its results for the second quarter and half year ended 30 June 2020.

Q2 2020 Highlights

- Revenue increased to EUR 139.5 million (+0.2% underlying) indicating continued resiliency during COVID-19 pandemic.
- Adjusted EBITA margin decreased to 31.9% mainly due to difference in timing of costs and savings relating to the Centre of Excellence.
- Cash flow from operating activities increased to EUR 35.3 million supported by strong working capital management.
- Leverage ratio was 3.81x (Q2 2019: 4.01x); headroom compared to leverage covenant amounted to 24%.

H1 2020 Highlights

- Revenue increased to EUR 281.6 million (+1.1% underlying).
- Adjusted EBITA margin decreased to 32.3% in line with previously communicated lower margin in H1 2020 compared to H2 2020 due to phasing of Centre of Excellence related costs.
- Adjusted EPS amounted to EUR 0.70 (H1 2019: EUR 0.74).
- Set up of Centre of Excellence on track to realise 90% of EUR 20 million net run rate savings by end 2021.
- To maintain financial flexibility during this period of macroeconomic uncertainty, no interim dividend will be declared.

Stephanie Miller, CEO of Intertrust, commented:

"During these unprecedented times due to COVID-19, I am incredibly proud of how Intertrust has navigated this challenging period. Our second quarter revenue came in at EUR 139.5 million which is slightly higher compared to last year's quarter. The results demonstrate the resilience of our business and the strong cash flow generation. Funds and Capital Markets reported healthy growth as a result of increased transactional activity from our existing and new clients. Adjusted EBITA margin decreased in line with what we have communicated end of last year about the phasing of our margin development in 2020 whilst we execute our Centre of Excellence migration plan. Earlier this month we completed the migration of operational activities from the Netherlands and the Americas to the Centre of Excellence, which is in addition to the migration of Asian offices during Q1.

A great example of the deployment of our technology enabled services is our landmark deal with the Fédération Internationale de Football Association ("FIFA") to build and operate the FIFA Clearing House – a system designed to ensure greater transparency in the international player transfer market. Through this system we can deliver the level of accountability and transparency FIFA is looking for, a service right at the heart of our strategy to help automate and accelerate our clients' work.

I am confident that we will navigate successfully through this crisis based on the recurring and resilient nature of our business, and the commitment and dedication of all our employees."

Intertrust Group Q2 2020 figures

	As reported			Adjusted[1]			
	Q2 2020	Q2 2019	% Change	Q2 2020	Q2 2019	% Change	Underlying % change[2]
Revenue (€m)	139.5	127.9	9.1%	139.5	127.9	9.1%	0.2%
EBITA (€m)	40.0	38.6	3.5%	44.4	46.8	-5.1%	-11.3%
EBITA Margin	*28.7%*	*30.2%*	*-155bps*	*31.9%*	*36.6%*	*-477bps*	*-411bps*
Net Income (€m)	(8.5)	28.6	-129.8%	31.9	33.7	-5.4%	
Earnings per share (€)[3]	(0.10)	0.32	-131.3%	0.35	0.38	-6.1%	
Cash flow from operating activities (€m)	35.3	27.4	29.1%				

1 See Reconciliation of performance measures to reported results (see page 7) for further information on Adjusted figures
2 Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)
3 Average number of shares for Q2 2020: 90,202,371 shares; average for Q2 2019: 89,580,687 shares

Intertrust Group H1 2020 figures

	As reported			Adjusted[1]			
	H1 2020	H1 2019	% Change	H1 2020	H1 2019	% Change	Underlying % change[2]
Revenue (€m)	281.6	252.7	11.4%	281.6	252.7	11.4%	1.1%
EBITA (€m)	81.6	82.1	-0.5%	91.0	92.3	-1.4%	-8.7%
EBITA Margin	*29.0%*	*32.5%*	*-349bps*	*32.3%*	*36.5%*	*-421bps*	*-350bps*
Net Income (€m)	(10.7)	50.0	-121.3%	63.5	66.1	-3.9%	
Earnings per share (€)[3]	(0.12)	0.56	-121.4%	0.70	0.74	-4.7%	
Cash flow from operating activities (€m)	104.1	87.4	19.1%				

1 See Reconciliation of performance measures to reported results (see page 7) for further information on Adjusted figures
2 Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)
3 Average number of shares for H1 2020: 90,128,939 shares; average for H1 2019: 89,407,231 shares.

Financial review

COVID-19 impact

Although we are not immune to the impact of COVID-19, the existing business remained resilient and productivity of our employees continued to be at pre-COVID levels. We continue to sustain smooth operations with a large population of staff working remotely. We have started to re-open our offices but continue to monitor the situation in each of our locations in order to protect our colleagues and clients. Due to COVID-19 the inflow of new business is delayed which impacted revenue growth. Despite these challenging times management decided to continue to build and invest in the future.

Revenue

Revenue increased 0.2% on an underlying basis to EUR 139.5 million in Q2 2020. The full quarter impact of COVID-19 is reflected in almost flat revenue growth compared to the same quarter last year. The negative impact of COVID-19 was primarily visible in Corporates and Private Wealth.

Revenue per service line

(EUR million)	Q2 2020	Q2 2019	% Change	Underlying % change[1]	H1 2020	H1 2019	% Change	Underlying % change[1]
Corporates	45.6	48.5	-5.9%	-7.2%	93.5	95.5	-2.1%	-3.6%
Funds	61.8	46.7	32.4%	7.8%	123.8	90.5	36.9%	8.4%
Capital Markets	17.0	15.9	6.5%	6.4%	32.2	31.5	2.1%	1.6%
Private Wealth	14.4	16.2	-10.9%	-10.9%	30.1	33.2	-9.2%	-9.8%
Other	0.6	0.6	10.4%	13.4%	1.9	2.0	-8.3%	-9.1%
Total Group revenue	139.5	127.9	9.1%	0.2%	281.6	252.7	11.4%	1.1%

1 Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

- **Corporates** decreased 7.2% due to less transactional activity, end-of-life of corporate structures and a delay in winning new business due to COVID-19 related restrictions. We have won a contract with FIFA to build and operate the FIFA Clearing House which will contribute to revenue in Corporates this year.

- **Funds** continued to report strong growth of 7.8% due to new clients and new fund launches from existing clients in Luxembourg, and growth in the Americas.
- **Capital Markets** reported a revenue growth of 6.4% reflecting more client activity in capital markets related transactions, largely in Western Europe.
- **Private Wealth** revenue decreased 10.9% mainly due to anticipated and directed outflow of business in the Channel Islands and reduced new business inflow due to COVID-19.

Adjusted EBITA and adjusted EBITA margin

In Q2 2020 adjusted EBITA decreased to EUR 44.4 million and adjusted EBITA margin was 31.9%. This was mainly driven by business mix, planned temporary duplication of costs due to Centre of Excellence build-up and continued opex investments to capture technology and growth opportunities. We have continued to invest in the future and not taken any short-term cost savings measures relating to COVID-19. We are confident that we will navigate successfully through this crisis based on the recurring and resilient nature of our business.

Centre of Excellence (CoE)

In addition to the migration of our Asian offices, which was done in Q1 2020, we have completed the migration of operational activities from the Netherlands and the Americas to the CoE in July 2020. The rest of the set-up of the CoE continues to be on track with the migration plan that was prepared in June 2019.

At the end of Q2 2020 we had hired 51% of the total planned CoE headcount. The annual run rate costs of the CoE at the end of Q2 2020 was EUR 9.8 million. The annual run rate of gross savings at the end of Q2 2020 reached EUR 7.9 million, resulting in a temporarily negative run rate net savings of EUR 1.9 million. Total net synergies are expected to reach USD 22 million (EUR 20 million), of which we expect to realise 20% by the end of 2020 and 90% by the end of 2021.

Financing and tax expenses

The net financial result was EUR 8.7 million negative consisting of the following items:

(EUR million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Net interest cost	(9.4)	(8.7)	(20.0)	(17.1)
Fair value adjustment of the early redemption option	2.4	18.1	(20.1)	21.4
Fair value adjustment earn out	0.0	(0.0)	0.2	(1.3)
Other	(1.7)	(0.4)	(1.1)	(0.6)
Net financial result	(8.7)	9.0	(41.0)	2.4

The price of our senior notes was relatively stable during the quarter and amounted to 100.31 at the end of Q2 2020. This resulted in a positive fair value adjustment of the early redemption option of EUR 2.4 million and had no cash flow impact. Income tax expense was EUR 2.3 million in H1 2020 (H1 2019: EUR 13.1 million expense). The decrease versus H1 2019 was mainly the result of a revaluation of the early redemption option of the senior notes. This resulted in an effective tax rate of 28.0% negative in the first half of the year. Excluding the impact of the revaluation of the early redemption option of the senior notes and the goodwill impairment, the normalised effective tax rate was 18.7%.

Earnings per share (EPS)

Adjusted EPS in Q2 2020 was EUR 0.35 compared to EUR 0.38 in Q2 2019. In the first half year of 2020 the adjusted EPS decreased to EUR 0.70 from EUR 0.74 in H1 2019. The average number of outstanding shares in H1 2020 was 90,128,939 (H1 2019: 89,407,231).

Key performance indicators (KPIs)

	Q2 2020	Q2 2019	H1 2020	H1 2019
FTE (end of period)	3,833	3,327	3,833	3,327
Revenue / Billable FTE (€k, LTM)[1]	208.3	220.3	208.3	220.3
Billable FTE / Total FTE (as %, end of period)	78.0%	78.3%	78.0%	78.3%
HQ & IT costs (as % of revenue)	15.0%	14.1%	15.1%	14.2%
Working capital / LTM Revenue (as %)	-5.4%	-3.5%	-5.4%	-3.5%

1 Billable FTE and revenue is calculated based on LTM average, revenue is not corrected for currency impact, 2020 and 2019 ratios include proforma figures for acquisition(s) if applicable

At the end of Q2 2020, the number of FTEs was 3,833 and the Revenue per billable FTE amounted to EUR 208.3. Differences compared to the same period last year are explained by the expansion of the teams working in the Centre of Excellence.

Group HQ & IT costs

(EUR million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Group HQ costs	(8.5)	(7.7)	(17.8)	(15.4)
Group IT costs	(12.5)	(10.3)	(24.7)	(20.3)
Total Group HQ & IT costs	(20.9)	(18.0)	(42.5)	(35.8)

In Q2 2020 total Group HQ & IT costs amounted to EUR 20.9 million, slightly more compared to the same quarter last year but in line with the previously communicated quarterly run-rate of around EUR 22.5 million. Group HQ costs include expenses of global employee share plans such as the Long-Term Incentive Plan (LTIP). Group IT costs increased to EUR 12.5 million due to continued investments in the IT roadmap and the inclusion of a full quarter of Viteos IT costs.

Capital employed

(EUR million)	30.06.2020	31.12.2019	30.06.2019
Acquisition-related intangible assets	1,665.7	1,729.0	1,726.4
Other intangible assets	20.9	17.6	15.3
Property, plant and equipment	97.2	107.7	88.3
Total working capital	(31.1)	(15.3)	(17.7)
Other assets	24.9	45.5	43.2
Total Capital employed (Operational)	1,777.6	1,884.5	1,855.5
Total equity	746.8	774.7	742.2
Net debt	847.7	915.9	937.7
Provisions, deferred taxes and other liabilities	183.1	193.9	175.5
Total Capital employed (Finance)	1,777.6	1,884.5	1,855.5

In Q2 2020 the Group booked an impairment charge on goodwill of EUR 24 million related to the cash generating unit Jersey. The impairment was driven by a combination of an increased discount rate and slower growth of the business. The impairment is a non-cash item and has no impact on our leverage ratio.

Cash flow from operating activities amounted to EUR 35.3 million in Q2 2020 (Q2 2019: EUR 27.4 million). Total working capital improved for the 7th consecutive quarter and amounted to EUR 31.1 million negative. Working capital is reaching its optimal level due to gradual and sustainable improvements on billing and cash collection throughout the whole Group. The following table presents the breakdown of working capital:

(EUR million)	30.06.2020	31.12.2019	30.06.2019
Operating working capital	5.8	16.6	13.0
Net current tax	(36.9)	(31.9)	(30.7)
Total working capital	(31.1)	(15.3)	(17.7)

Cash collection continued to be strong in Q2 2020 supporting the low working capital position. Liquidity amounted to more than EUR 200 million at the end of Q2 2020. Capex in the quarter came in at 2.5% of revenue (excluding IFRS16) as a result of increased IT investments and investments relating to the build up of the Centre of Excellence. Net debt decreased to EUR 847.7 million at the end of Q2 2020 from EUR 915.9 million at the end of 2019. The leverage ratio decreased to 3.81x compared to 3.96x at the end of 2019 as a result of efficient working capital management and lower debt.

Performance in key jurisdictions

Western Europe

41% of H1 2020 Group revenue

	Q2 2020	Q2 2019	% Change	Underlying % change[1]	H1 2020	H1 2019	% Change	Underlying % change[1]
Revenue (€m)	57.5	57.4	0.2%	-1.0%	115.5	115.5	0.0%	-1.1%
Adjusted EBITA (€m)	28.7	31.9	-10.3%	-9.8%	57.7	64.8	-11.0%	-10.5%
Adjusted EBITA Margin	*49.9%*	*55.7%*	*-580bps*	*-487bps*	*49.9%*	*56.1%*	*-617bps*	*-527bps*

1 Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Western Europe reported 1.0% underlying revenue decline to EUR 57.5 million (Q2 2019: EUR 57.4 million). Capital Markets performed well during this quarter, especially in the Netherlands as a result of more RMBS (Residential Mortgage Backed Securities) securitisations, car lease securitisations and corporate bond issuances. Corporate Services was impacted by lower transactional activity due to COVID-19 and end-of-life of corporate structures.

Adjusted EBITA margin amounted to 49.9% due to the CoE migration and continued investments in growth of our service lines. The expenses for the CoE were allocated to the regions.

In the second quarter the migration plan of the Netherlands was executed and the transfer of operational activities was completed in July. In Luxembourg the migration is underway and is expected to complete in Q4 2020.

Rest of the World (ROW)

35% of H1 2020 Group revenue

	Q2 2020	Q2 2019	% Change	Underlying % change[1]	H1 2020	H1 2019	% Change	Underlying % change[1]
Revenue (€m)	48.5	48.8	-0.7%	-0.1%	98.3	95.7	2.7%	2.5%
Adjusted EBITA (€m)	18.6	21.6	-13.9%	-13.2%	40.3	42.3	-4.8%	-4.9%
Adjusted EBITA Margin	*38.4%*	*44.3%*	*-589bps*	*-579bps*	*41.0%*	*44.2%*	*-323bps*	*-319bps*

1 Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

Revenue in Q2 2020 was in line with the same quarter last year. Funds performed well during the quarter especially in the Nordics, Spain and Hong Kong. Revenue in Capital Markets increased in the UK relating to trustee services in the aircraft lease business. Revenue in Corporate Services decreased in the quarter due to less transactional activity as a result of COVID-19.

In Q2 2020 adjusted EBITA margin was 38.4% compared to 44.3% in Q2 2019. The difference in margin compared to last year was due to the execution of the CoE migration project and ongoing investments in growth of the service lines. The expenses for the CoE were allocated to the regions.

In July 2020 Intertrust obtained the Australian Financial Services License which enables us to broaden our Australian service offering to include regulated trustee, custody and escrow services.

Americas

24% of H1 2020 Group revenue

	Q2 2020	Q2 2019	% Change	Underlying % change[1]	H1 2020	H1 2019	% Change	Underlying % change[1]
Revenue (€m)	33.4	21.6	54.8%	2.8%	67.8	41.6	63.2%	3.1%
Adjusted EBITA (€m)	18.1	11.2	60.8%	8.4%	35.5	21.0	69.5%	9.3%
Adjusted EBITA Margin	*54.1%*	*52.0%*	*202bps*	*278bps*	*52.4%*	*50.4%*	*196bps*	*299bps*

1 Underlying: Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

The Americas reported a revenue increase of 2.8% underlying to EUR 33.4 million in Q2 2020. Revenue growth was driven by Funds, as a result of more transactional activity, fund administration and compliance related revenues. Americas includes the former Viteos business which performed in line with expectations.

Adjusted EBITA margin came in at 54.1%, an increase of +278bps compared to the same quarter last year. Following the new sales structure implemented at the start of the year, part of the sales expenses were allocated to Western Europe and ROW resulting in lower expenses for Americas (approximately EUR 1 million in H1 2020 compared to the same period last year).

In July the migration of the Americas to the CoE was completed successfully.

We have reached the final approval phase of our application for a corporate trust license in South Dakota. The license will enable us to expand our service offering and strengthen our market position in the US.

Guidance 2020 and medium term outlook

Guidance 2020

Intertrust's liquidity is strong and its existing core business continues to be resilient, being built on 80%-90% recurring revenue and long-term contracts with clients. However, given the uncertainty of the global impact of COVID-19 on the overall economy, Intertrust has withdrawn its guidance for 2020.

Medium term outlook

Intertrust remains comfortable with its objectives in the medium term as previously communicated, once market conditions normalise.

Additional information

Financial calendar

Date	Event
22 October 2020	Publication Q3/9M 2020 trading update
12 February 2021	Publication Q4/FY 2020 results
22 April 2021	Publication Q1 2021 trading update
29 July 2021	Publication Q2/HY 2021 results
21 October 2021	Publication Q3 2021 trading update

Analyst call / webcast

Today, Intertrust's CEO Stephanie Miller and CFO Rogier van Wijk will hold an analyst / investor call at 10:00 CET. A webcast of the call will be available on the Company's website. The webcast can be accessed here . The supporting presentation can be downloaded from our website.

For more information:

Investors & Media
Marieke Palstra
marieke.palstra@intertrustgroup.com
Tel +31 20 577 1157

About Intertrust

Intertrust (Euronext: INTER; 'the Company") is a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing in the international business environment. The Company has more than 3,800 employees in over 30 jurisdictions in Europe, the Americas, Asia Pacific and the Middle-East. Intertrust delivers high-quality, tailored fund, corporate, capital market and private wealth services to its clients, with a view to building long-term relationships. The Company works with global law firms and accountancy firms, multinational corporations, financial institutions, fund managers, high net worth individuals and family offices.

Forward-looking statements and presentation of financial and other information

This press release may contain forward looking statements with respect to Intertrust's future financial performance and position. Such statements are based on Intertrust's current expectations, estimates and projections and on information currently available to it. Intertrust cautions investors that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause Intertrust's actual financial performance and position to differ materially from these statements. Intertrust has no obligation to update or revise any statements made in this press release, except as required by law.
All figures included in this press release are unaudited and include IFRS16 impact.
This press release contains information that qualifies, or may qualify, as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Explanatory tables

Figures presented in EUR million; tables are calculated before roundings.

Reconciliation of performance measures to reported results

(EUR million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Profit/(loss) from operating activities	3.5	27.8	32.6	60.7
Amortisation and impairment of acquisition - related intangible assets and goodwill	36.5	10.8	49.0	21.3
Specific items - Integration and transformation costs	2.9	1.1	5.6	2.9
Specific items - Transaction and other costs	1.6	7.1	3.7	7.3
Adjusted EBITA	44.4	46.8	91.0	92.3

Adjusted EBITA is defined as EBITA before specific items and including IFRS16 impact. Specific items of income or expense are income and expense items that, based on their significance in size or nature, should be separately presented to provide further understanding on financial performance.

(EUR million)	Q2 2020	Q2 2019	H1 2020	H1 2019
Adjusted EBITA	44.4	46.8	91.0	92.3
Net finance costs (adjusted) - excluding net foreign exchange loss and other adjusting items[1]	(9.8)	(8.9)	(20.7)	(17.5)
Share of profit of associate (net of tax)	-	0.0	-	0.0
Income tax (adjusted)	(2.8)	(4.3)	(6.7)	(8.6)
Adjusted Net income	31.9	33.7	63.5	66.1

1 *Foreign exchange gain/(loss) for Q2 2020 was (EUR 1.329k), H1 2020 was (EUR 327k); Q2 2019 was (EUR 195k), H1 2019 was (EUR 176k)*

Adjusted Net Income is defined as Adjusted EBITA less net interest costs, less adjusted tax expenses and share of profit of associate (net of tax) and excluding adjusted items in financial results and related taxes.

Tax reconciliation

(EUR million)	H1 2020		H1 2019		Change
Profit before income tax		(8.3)		63.2	(47.5)
Income tax using the Company's domestic tax rate	*25.0%*	(3.9)	*25.0%*	(15.8)	11.9
Effect of tax rates in foreign jurisdictions		2.6		3.8	(1.2)
Effect of non-taxable and deferred items		(1.2)		(1.9)	0.6
Effect of prior year adjustments		0.2		0.7	(0.5)
Income tax	*-28.0%*	(2.3)	*20.8%*	(13.1)	10.8
Of which:					
Current tax expense	*-135.5%*	(11.3)	*19.5%*	(12.3)	1.0
Deferred tax (expense)/ income	*107.5%*	9.0	*1.3%*	(0.8)	9.8

Specification of the impact of Adjusted items

(EUR million)	Q2 2020		
	As reported	Adjustments	Adjusted
Revenue	139.5		139.5
Staff expenses	(72.5)	(3.0)	(69.5)
Rental expenses	(2.0)	-	(2.0)
Other operating expenses	(17.6)	(1.5)	(16.1)
Other operating income	0.1	0.0	0.1
Depreciation and amortisation of other intangible assets	(7.5)	-	(7.5)
Amortisation and impairment of acquisition-related intangible assets	(36.5)	(36.5)	-
Profit/(loss) from operating activities	3.5	(40.9)	44.4
Financial income	(0.6)	0.0	(0.6)
Financial expense	(8.1)	1.0	(9.2)
Financial result	(8.7)	1.1	(9.8)
Share of profit of associate (net of tax)	-	-	-
Profit/(loss) before income tax	(5.2)	(39.9)	34.6
Income tax	(3.3)	(0.5)	(2.8)
Profit/(loss) after tax	(8.5)	(40.4)	31.9
Profit/(loss) for the year after tax attributable to:			
Owners of the Company	(8.5)	(40.4)	31.9
Non-controlling interests	(0.0)	-	(0.0)
Profit/(loss)	(8.5)	(40.4)	31.9
Basic earnings per share (EUR)	(0.10)		0.35
Diluted earnings per share (EUR)	(0.10)		0.35

(EUR million)	H1 2020		
	As reported	Adjustments	Adjusted
Revenue	281.6	-	281.6
Staff expenses	(143.6)	(5.6)	(138.1)
Rental expenses	(4.3)	-	(4.3)
Other operating expenses	(38.8)	(3.9)	(34.9)
Other operating income	2.1	0.1	2.0
Depreciation and amortisation of other intangible assets	(15.3)	-	(15.3)
Amortisation and impairment of acquisition - related intangible assets and goodwill	(49.0)	(49.0)	-
Profit/(loss) from operating activities	32.6	(58.4)	91.0
Financial income	1.0	0.2	0.8
Financial expense	(42.0)	(20.4)	(21.5)
Financial result	(41.0)	(20.2)	(20.7)
Share of profit of associate (net of tax)	-	-	-
Profit/(loss) before income tax	(8.3)	(78.6)	70.2
Income tax	(2.3)	4.4	(6.7)
Profit/(loss) after tax	(10.7)	(74.2)	63.5
Profit/(loss) for the year after tax attributable to:			
Owners of the Company	(10.7)	(74.2)	63.5
Non-controlling interests	0.0	-	0.0
Profit/(loss)	(10.7)	(74.2)	63.5
Basic earnings per share (EUR)	(0.12)		0.70
Diluted earnings per share (EUR)	(0.12)		0.70

Intertrust Group Interim Financial Report 30 June 2020

(Unaudited)

Interim Management Board report

Introduction

Intertrust N.V. (the "Company") and its subsidiaries (together referred to as the "Group") is a global leader in providing tech-enabled corporate and fund solutions to clients. The Company has 3,833 FTEs working in its offices across more than 30 jurisdictions.

Intertrust outlook 2020 and medium term outlook

Intertrust's liquidity is strong and its existing core business continues to be resilient, being built on 80%-90% recurring revenue and long-term contracts with clients. However, given the uncertainty of the global impact of COVID-19 on the overall economy, Intertrust has withdrawn its guidance for 2020.

In the first half year, Management cancelled the final dividend of the financial year 2019 and decided not to declare interim dividend 2020.

Financial review for the six-month period ended 30 June 2020

In the first half of 2020, the Group generated revenue of EUR 281.6 million, which is EUR 28.8 million higher compared to EUR 252.7 million in the same period of 2019. Revenue growth was mainly driven by the acquisition of Viteos in 2019. On an underlying basis revenue grew by 1.1%. This organic growth includes the impact from the COVID-19 pandemic which resulted in lower inflow of new business. While Corporates and Private Wealth service lines declined on an underlying basis, Fund Services and Capital Markets showed underlying growth.

EBITA margin was 29.0% for the first half year of 2020, compared to 32.5% EBITA margin for the same period in 2019. This was mainly driven by the transformation programs, more specifically the set up of the CoE as well as reduced inflow of new business. Adjusted EBITA margin is 32.3% for the six months ended 30 June 2020.

Staff expenses

Staff expenses increased EUR 27.4 million year-on-year to EUR 143.6 million following the acquisition of Viteos and the hiring of employees in CoE. Staff expenses consist mainly of EUR 108.7 million in salaries and wages in the six months ended 30 June 2020 (2019: EUR 90.6 million) and EUR 2.1 million of equity-settled share-based payments (2019: EUR 1.9 million). On an underlying basis, staff expenses increased by EUR 10.3 million or 7.7%.

Rental and other operating expenses, other operating income

Rental expenses increased by EUR 0.2 million year-on-year, or 3.7% to EUR 4.3 million for H1 2020. Other operating expenses increased by EUR 1.8 million year-on-year mainly due to inclusion of results of Viteos for the first half year of 2020 compared to 13 days from the date of consolidation in H1 2019. Other operating income increased by EUR 2.0 million mainly due to a one-off benefit from the reimbursement of a legal claim and legal fees which were paid in H1 2017.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment charges increased by EUR 27.7 million year-on-year, or 129.7%, to EUR 49.0 million for the six months ended 30 June 2020. The amortisation of acquisition related intangibles increased due to the acquisition of Viteos in June 2019. The increase in depreciation and amortisation of software was mainly due to increased Capex. In addition, EUR 24 million was accounted as impairment of goodwill of CGU Jersey as at 30 June 2020.

Operating result

Profit from operating activities in the first half of 2020 decreased by EUR 28.1 million year-on-year to EUR 32.6 million as a result of the above mentioned changes.

Financial result

The financial result decreased to EUR 41.0 million negative in the first half of 2020 from EUR 2.4 million positive in the same period last year. This decrease is mainly due to the fair value adjustment of our early redemption option of the senior notes amounting to EUR 20.1 million loss (EUR 21.4 million gain in H1 2019). See further details in Note 7.

Income taxes

The income tax expense decreased by EUR 10.8 million year-on-year to an income tax charge of EUR 2.3 million mainly related to the deferred tax on the bond option revaluation and resulting in a negative effective tax rate of -28.0% (2019: 20.8%). Excluding the impact of the revaluation of the early redemption option of the senior notes and the goodwill impairment, the normalised effective tax rate was 18.7% positive (H1 2019: 18.6%).

Cash flow

In the first half of 2020, operating cash flow increased by EUR 16.7 million, or 19.1%, compared to the same period of 2019. The increase in the operating cash flow is mainly attributable to improvements in the working capital of the Group. Cash flow from investing activities decreased from EUR 256.6 million negative in half year 2019 to EUR 10.7 million negative in half year 2020. The cash flow from investing activities in 2019 includes the payment of the Viteos acquisition in June 2019. Cash flow from financing activities of EUR 76.2 million negative relates mainly to repayment of loans and reduction of overdraft amounting to EUR 57.1 million.

Related party transactions

For related party transactions, please refer to Note 19 of our interim financial report.

Principal risks and uncertainties of the first half of 2020

In the Annual Report 2019, we described the key business risks and uncertainties which we are aware of, and which could have a material adverse effect on our financial position and results.
We have assessed the risks for the first half year of 2020 and believe that the risk categories and risk factors identified are in line with those presented in the Annual Report 2019. Those are deemed incorporated and repeated in this report by reference. In addition we identified risks arising from COVID-19 pandemic which we describe in below paragraph. Other risks not known to us, or currently regarded not to be material, could later turn out to have an adverse material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

COVID-19 impact

We have been working under our Business Continuity Plan since the outbreak of COVID-19. As a result of continued investments in the IT infrastructure around 92% of our employees were working from home at the peak providing uninterrupted service to our clients and the remainder of our colleagues were already re-entering our offices. The impact of COVID-19 on revenue and adjusted EBITA margin in H1 2020 was not material. The full Q2 2020 impact of COVID-19 is reflected in almost flat underlying revenue growth compared to the same quarter last year. As a result of the recurring nature of the revenue and long-term client contracts, the existing business remains resilient and productivity of our employees continues to be at pre-COVID level. However the inflow of new business is delayed which impacted revenue growth.
Management has performed a scenario analysis and stress test for the next 12 months period. The outcome is that management believes it can continue as going concern and will stay within its banking covenants during that period. Despite these challenging times management decided not to implement short term cost saving measures but continue to build and invest in the future. One off COVID-19 related costs incurred for the six months period ending 30 June 2020 (EUR 0.5 million) mainly related to IT costs, staff accommodation, office preparation costs and others. For a few of our offices rent exemptions/reductions were received and in one jurisdiction a social security reduction was received for employees who could not work due to childcare. These benefits added up to EUR 0.4 million for the same period.
An assessment was performed of potential valuation adjustment for our asset base, that might be required as a result of the possible impact of COVID-19 on our future profitability and cash flow generation. As a result of this, an impairment of goodwill was recognised as at 30 June 2020 for the CGU Jersey amounting to EUR 24.0 million. See further details in Note

10.
No further value adjustments were accounted for as at 30 June 2020 for other assets.

Responsibility statement

With reference to the statement within the meaning of article 5:25d (2c) of the Financial Supervision Act, the Management Board hereby declares that, to the best of their knowledge:

- the interim financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position, profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the interim Management Board report gives a fair view of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Amsterdam, 29 July 2020

The Management Board
Stephanie Miller, CEO
Rogier van Wijk, CFO

Condensed consolidated interim statement of profit or loss

(EUR 000)	Note	Q2 2020	Q2 2019	H1 2020	H1 2019
Revenue	5	139,452	127,863	281,575	252,739
Staff expenses	6	(72,481)	(59,101)	(143,633)	(116,208)
Rental expenses		(2,044)	(2,261)	(4,286)	(4,133)
Other operating expenses		(17,576)	(21,222)	(38,787)	(37,033)
Other operating income		137	57	2,073	80
Depreciation and amortisation of other intangible assets	12	(7,528)	(6,710)	(15,308)	(13,361)
Amortisation and impairment of acquisition - related intangible assets and goodwill	10	(36,463)	(10,803)	(49,013)	(21,341)
Profit/(loss) from operating activities		3,497	27,823	32,621	60,743
Financial income	7	(598)	18,518	1,032	22,107
Financial expense	7	(8,148)	(9,487)	(41,983)	(19,679)
Financial result		**(8,746)**	**9,031**	**(40,951)**	**2,428**
Share of profit of associate (net of tax)		-	15	-	15
Profit/(loss) before income tax		(5,249)	36,869	(8,330)	63,186
Income tax		(3,269)	(8,259)	(2,333)	(13,145)
Profit/(loss) after tax		(8,518)	28,610	(10,663)	50,041
Profit/(loss) for the year after tax attributable to:					
Owners of the Company		(8,512)	28,614	(10,664)	50,048
Non-controlling interests		(6)	(4)	1	(7)
Profit/(loss)		(8,518)	28,610	(10,663)	50,041
Basic earnings per share (EUR)	8	(0.10)	0.32	(0.12)	0.56
Diluted earnings per share (EUR)	8	(0.10)	0.31	(0.12)	0.55

Quarterly figures are neither audited, nor reviewed.

Condensed consolidated interim statement of comprehensive income

(EUR 000)	Note	Q2 2020	Q2 2019	H1 2020	H1 2019
Profit/(loss) after tax		(8,518)	28,610	(10,663)	50,041
Actuarial gains and losses on defined benefit plans		(38)	(265)	(38)	(265)
Income tax on actuarial gains and losses on defined benefit plans		20	-	20	-
Items that will never be reclassified to profit or loss		(18)	(265)	(18)	(265)
Foreign currency translation differences - foreign operations	14	(12,448)	(14,067)	(17,235)	289
Movement on cash flow hedges in other comprehensive income		(191)	(2,143)	(5,007)	(3,911)
Income tax on movement on cash flow hedges in other comprehensive income		-	-	-	(312)
Items that are or may be reclassified to profit or loss		(12,639)	(16,210)	(22,242)	(3,934)
Other comprehensive income/(loss) for the year, net of tax		(12,657)	(16,475)	(22,260)	(4,199)
Total comprehensive income/(loss) for the year		(21,175)	12,135	(32,923)	45,842
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		(21,170)	12,135	(32,929)	45,850
Non-controlling interests		(5)	-	6	(8)
Total comprehensive income/(loss) for the year		(21,175)	12,135	(32,923)	45,842

Quarterly figures are neither audited, nor reviewed.

The Notes on pages 17 to 27 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

(EUR 000)	Note	30.06.2020	31.12.2019
Assets			
Property, plant and equipment	12	97,193	107,713
Other intangible assets		20,849	17,554
Acquisition-related intangible assets	10	1,665,733	1,729,011
Investments in equity-accounted investees		–	156
Other non current financial assets	12, 14	22,491	42,888
Deferred tax assets		6,519	6,829
Non-current assets		**1,812,785**	**1,904,151**
Trade receivables		88,649	100,794
Other receivables		27,826	31,197
Work in progress		28,889	33,851
Current tax assets		417	842
Other current financial assets		2,393	2,453
Prepayments		11,690	11,347
Cash and cash equivalents		141,652	121,044
Current assets		**301,516**	**301,528**
Total assets		2,114,301	2,205,679
Equity			
Share capital		54,190	54,190
Share premium		630,441	630,441
Reserves		(43,232)	(23,276)
Retained earnings		105,097	113,117
Equity attributable to owners of the Company		**746,496**	**774,472**
Non-controlling interests		273	267
Total equity	**13**	**746,769**	**774,739**
Liabilities			
Loans and borrowings		912,997	918,346
Other non current financial liabilities	16	89,759	94,309
Employee benefits liabilities		2,800	2,575
Deferred income		4,782	5,100
Provisions		1,001	960
Deferred tax liabilities		82,073	91,550
Non-current liabilities		**1,093,412**	**1,112,840**
Loans and borrowings		53,493	98,691
Other current financial liabilities	16	20,784	19,295
Deferred income		78,804	78,085
Provisions		543	1,101
Current tax liabilities		37,336	32,699
Trade payables		6,951	11,814
Other payables		76,209	76,415
Current liabilities		**274,120**	**318,100**
Total liabilities		**1,367,532**	**1,430,940**
Total equity and liabilities		2,114,301	2,205,679

The Notes on pages 17 to 27 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

(EUR 000)	Note	For the period ended 30 June 2020								
		Attributable to owners of the Company								
		Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2020		54,190	630,441	113,117	(13,984)	(4,979)	(4,313)	774,472	267	774,739
Profit/(loss)		–	–	(10,664)	–	–	–	(10,664)	1	(10,663)
Other comprehensive income/(loss) for the year, net of tax		–	–	(18)	(17,240)	(5,007)	–	(22,265)	5	(22,260)
Total comprehensive income/(loss) for the year		–	–	(10,682)	(17,240)	(5,007)	–	(32,929)	6	(32,923)
Contributions and distributions										
Equity-settled share-based payment		–	–	4,953	–	–	–	4,953	–	4,953
Treasury shares delivered		–	–	(2,291)	–	–	2,291	–	–	–
Dividends paid		–	–	–	–	–	–	–	–	–
Total contributions and distributions		–	–	2,662	–	–	2,291	4,953	–	4,953
Changes in ownership interests										
Business combinations		–	–	–	–	–	–	–	–	–
Total changes in ownership interest		–	–	–	–	–	–	–	–	–
Total transactions with owners of the Company		–	–	2,662	–	–	2,291	4,953	–	4,953
IFRS16 opening balance adjustment		–	–	–	–	–	–	–	–	–
Total opening balance sheet adjustments		–	–	–	–	–	–	–	–	–
Balance at 30 June 2020	13	54,190	630,441	105,097	(31,224)	(9,986)	(2,022)	746,496 –	273 –	746,769

(EUR 000)	Note	For the period ended 30 June 2019								
		Attributable to owners of the Company								
		Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total	Non-controlling interests	Total equity
Balance at 01 January 2019		53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803
IFRS16 opening balance adjustment		–	–	4,427	–	–	–	4,427	–	4,427
Total opening balance sheet adjustment		–	–	4,427	–	–	–	4,427	–	4,427
Adjusted 01 January 2019		53,853	630,441	77,973	(29,845)	(938)	(8,511)	722,973	257	723,230
Profit/(loss)		–	–	50,048	–	–	–	50,048	(7)	50,041
Other comprehensive income/(loss) for the year, net of tax		–	–	(265)	290	(4,223)	–	(4,198)	(1)	(4,199)
Total comprehensive income/(loss) for the year		–	–	49,783	290	(4,223)	–	45,850	(8)	45,842
Contributions and distributions										
Equity-settled share-based payment		–	–	1,807	–	–	–	1,807	–	1,807
Purchase of treasury shares		–	–	–	–	–	–	–	–	–
Treasury shares delivered		–	–	(4,198)	–	–	4,198	–	–	–
Dividends paid		–	–	(28,638)	–	–	–	(28,638)	–	(28,638)
Total contributions and distributions		–	–	(31,029)	–	–	4,198	(26,831)	–	(26,831)
Changes in ownership interests										
Business Combinations		337	–	(337)	–	–	–	–	–	–
Total changes in ownership interests		337	–	(337)	–	–	–	–	–	–
Total transactions with owners of the Company		337	–	(31,366)	–	–	4,198	(26,831)	–	(26,831)
Balance at 30 June 2019	13	54,190	630,441	96,390	(29,555)	(5,161)	(4,313)	741,992	249	742,241

The Notes on pages 17 to 27 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

(EUR 000)	Q2		H1	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit/(loss) for the period	(8,518)	28,610	(10,663)	50,041
Adjustments for:				
Income tax expense	3,269	8,259	2,333	13,145
Share of profit of associate (net of tax)	-	(15)	-	(15)
Financial result	8,746	(9,031)	40,951	(2,428)
Depreciation and amortisation of other intangible assets	7,528	6,710	15,308	13,361
Amortisation and impairment of acquisition - related intangible assets and goodwill	36,463	10,803	49,013	21,341
(Gain)/loss on sale of non-current assets	1	8	57	8
Other non cash items	2,209	(128)	5,557	1,420
	49,698	45,216	102,556	96,873
Changes in:				
(Increase)/decrease in trade working capital	(12,505)	550	10,735	19,983
(Increase)/decrease in other working capital	1,387	(6,941)	(82)	(14,568)
(Decrease)/increase in provisions	(331)	(269)	(473)	(2,146)
Changes in foreign currency	(1,493)	(1,060)	(2,607)	(1,066)
	36,756	37,496	110,129	99,076
Income tax paid	(1,420)	(10,128)	(6,042)	(11,651)
Net cash from/(used in) operating activities	35,336	27,368	104,087	87,425
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2	-	2	-
Purchase of property, plant & equipment	(636)	(519)	(2,689)	(864)
Cash receipt of lease assets	351	-	709	-
Purchase of intangible assets	(3,447)	(1,458)	(6,009)	(2,623)
Acquisitions, net of cash acquired	-	(250,477)	(2,000)	(252,977)
Proceeds from sale of Investments	-	-	100	-
(Increase)/decrease in other financial assets	(105)	(326)	(1,345)	(596)
Dividends received	-	-	-	93
Interest received	212	256	488	396
Net cash from/(used in) investing activities	(3,623)	(252,524)	(10,744)	(256,571)
Cash flows from financing activities				
Proceeds from bank borrowings	-	242,146	10,000	242,172
Acquisition of treasury shares				
Payment of financing costs	(83)	(1,589)	(101)	(1,816)
Repayment of loans and borrowings banks	(32,695)	-	(57,100)	-
Repayment of loans and borrowings following acquisitions	-	(37,151)	-	(37,151)
Change in financial lease liabilities	(5,478)	(4,103)	(11,139)	(8,175)
Interest and other finance expenses paid	(12,636)	(11,714)	(17,816)	(14,790)
Dividends paid	-	(28,638)	-	(28,638)
Net cash from/(used in) financing activities	(50,892)	158,951	(76,156)	151,602
Net increase/(decrease) in cash	(19,179)	(66,205)	17,187	(17,544)
Cash attributable to the Company at the beginning of the period	145,838	156,515	110,218	105,506
Effect of exchange rate fluctuations on cash attributable to the Company	(537)	(1,262)	(1,284)	1,086
Cash attributable to the Company at the end of the period	126,121	89,048	126,121	89,048
Cash held on behalf of clients at the end of the period	15,531	5,677	15,531	5,677
Cash and cash equivalents at the end of the period	141,652	94,725	141,652	94,725

(*) Trade Working capital is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income

(**) Other Working capital is defined by the net (increase)/decrease in Other receivables, Prepayments and Other payables (excl. liabilities for cash held on behalf of clients)

Quarterly figures are neither audited, nor reviewed.

The Notes on pages 17 to 27 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Intertrust N.V. (the "Company") is a company domiciled in The Netherlands and was incorporated on 8 September 2014. The address of the Company's registered office is Prins Bernhardplein 200, Amsterdam, The Netherlands.

The condensed consolidated interim financial statements are unaudited, Quarterly figures are not audited, nor reviewed. Six months ending figures are not audited but they are reviewed.

The condensed consolidated interim financial statements of the Company for the period from 1 January 2020 to 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates.

The Group provides Corporate, Fund, Capital Markets and Private Wealth Services. At 30 June 2020, the Group had operations in over 30 jurisdictions. The Company employed 3,833 FTEs (full-time equivalent employees) (30 June 2019: 3,327 FTEs).

2. Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. Accordingly, the condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. 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 consolidated financial statements as at and for the year ended 31 December 2019 (part of the "Annual Report 2019").

The presentation currency of the group is the euro (€).

These condensed consolidated interim financial statements were authorised for issue by the Management Board on 29 July 2020.

3. Significant accounting policies and standards

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2019 except for the adopted new standards.

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2020, have been adopted by the Group from 1 January 2020.

These standards and interpretations had no material impact for the group.

New standards and interpretations issued but not yet adopted in 2019

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2019 have not yet been adopted and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2019. No significant changes to the disclosures are recognised at this stage.

4. Use of estimates and judgements

The preparation of these interim financial statements requires management to make certain assumptions, estimates and judgements that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and the future periods if the revision affects both current and future periods. For areas involving a higher degree of judgement or areas where assumptions and estimates are significant to the (interim) financial statements, reference is made to Note 2.4 of the Group's consolidated financial statements as at and for the year ended 31 December 2019.

5. Operating segments

5.1. Basis for segmentation

The Management Board is the Chief Operating Decision Maker of the Group (CODM). The responsibility of the Management Board is to assess performance and to make resource allocation decisions across the Group.

The analysis of the business is organised on and managed from a geographical perspective.

Intertrust reports on three segments consisting of the following jurisdictions:

- Western Europe: Belgium, France, Germany, Italy, Luxembourg, Netherlands and Switzerland.
- Americas: Bahamas, Brazil, BVI, Canada, Cayman Islands, Curacao, India and USA.
- Rest of the World: Australia, China, Cyprus, Denmark, Finland, Guernsey, Hong Kong, Ireland, Japan, Jersey, Norway, Singapore, Spain, Sweden, UAE and UK.

All operating segments are regarded as reportable segments due to their size/importance for the overall understanding of the geographical business. They are reported in a manner consistent with the internal reporting provided to and used by the Management Board.

The Management Board evaluates the performance of its segments based on Revenue and Adjusted EBITA ("segment Revenue" and "segment Adjusted EBITA"). Management considers such information is the most relevant in evaluating the results of the respective segments. For the reconciliation, please see Reconciliation of performance measures to reported results.

Adjusted EBITA by operating segment excludes the allocation of Group HQ and IT costs, which are deducted from the Group total however it includes the cross charges from the CoE in India. The revenue from Viteos are reported under Americas. Actual figures of Viteos are included in the consolidated figures as of 18 June 2019. For underlying change however we show figures or changes as Viteos would have been acquired from 1 January 2019.

Profit/(loss) before income tax is not used to measure the performance of the individual segments because items like amortisation of intangibles (except for software) and net finance costs are not allocated to the operating segments separately. The reconciliation to Profit/(loss) before income tax according to IFRS is done on Group level.

Consistent with the aforementioned reasoning, segment assets/liabilities are not reviewed regularly by management on a segment basis and are therefore excluded in the IFRS segment reporting.

5.2. Information about reportable segments

(EUR 000)	Q2				H1			
	2020		2019		2020		2019	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Western Europe	57.5	41%	57.4	45%	115.5	41%	115.5	46%
Rest of the World	48.5	35%	48.8	38%	98.3	35%	95.7	38%
Americas	33.4	24%	21.6	17%	67.8	24%	41.6	16%
Segment Revenue	139.5	100%	127.9	100%	281.6	100%	252.7	100%

(EUR 000)	Q2				H1			
	2020		2019		2020		2019	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Western Europe	28.7	65%	31.9	68%	57.7	63%	64.8	70%
Rest of the World	18.6	42%	21.6	46%	40.3	44%	42.3	46%
Americas	18.1	41%	11.2	24%	35.5	39%	21.0	23%
Group HQ and IT costs (*)	(20.9)	-47%	(18.0)	-38%	(42.5)	-47%	(35.8)	-39%
Segment Adjusted EBITA	44.4	100%	46.8	100%	91.0	100%	92.3	100%

(*) Group HQ and IT costs are not allocated by operating segment

Quarterly figures are neither audited, nor reviewed.

For the three months ended 30 June 2020 and for the six months ended 30 June 2020, the presentation of the figures is aligned with the operating segments as defined as of 1 January 2019.

5.3. Seasonality

The business of the Group does not show cyclical patterns or seasonal evolutions in the condensed consolidated interim statement of comprehensive income, however working capital follows a seasonal pattern with a peak level at the end of the third quarter and a low level at the end of the first quarter, primarily resulting from the annual billing run in Cayman in Q4 each year and in the Netherlands and Luxembourg in January of each year.

6. Staff expenses

(EUR 000)	Q2		H1	
	2020	2019	2020	2019
Salaries and wages	(54,773)	(46,210)	(108,720)	(90,569)
Social security contributions	(4,757)	(4,554)	(9,540)	(9,342)
Pensions and benefits	(2,705)	(2,367)	(5,449)	(4,573)
Rollover share-based payment	(1,360)	(249)	(2,859)	(249)
Share-based payment upon integration	-	-	-	(80)
Share-based payment long term incentive plan	(1,205)	(669)	(2,076)	(1,537)
Other personnel expenses	(7,681)	(5,052)	(14,989)	(9,858)
Staff expenses	(72,481)	(59,101)	(143,633)	(116,208)

Quarterly figures are neither audited, nor reviewed.

The number of FTEs (full time equivalent employees) at period ended 30 June 2020 amounted to 3,833 (period ended 30 June 2019: 3,327). Average number of employees amounted to 3,692 in the first half of 2020 (2019 same period: 3,290).

Share-based payment arrangements

In April 2020, the Group granted 565,195 share awards under the share based payment for employees (in April 2019 290,605). Grants were as follows:

- 416,607 share awards of Share Deferral Plan ("SDP"),
- 72,865 of Long Term Incentive Plan ("LTIP 6") and
- 75,723 of Performance Share Plan ("PSP 2020") for the members of the Management Board.

For description of each plan we refer to the Annual Report 2019. Compared to that, no changes happened to the grants. Share price at grant was EUR 11.39.

For the key management personnel, the new grants contain performance criteria similar to the details disclosed for grants in the Annual Report 2019.

Total share grants vested on 1 April 2020 is 147,406 and actual shares given is 142,510. The following grants vested:

- 2017 LTIPs, 1/3 of the grants vested (63,125 grants) and 63,125 shares were distributed;
- 1/3 of the SDP 2019 grants on 100%, 73,453 grants and
- 1/3 of LTIP5 (10,828) by 95% as disclosed in our Annual Report 2019 due to its performance measures.

At the time of the Viteos acquisition in 2019, management of Viteos received shares of the Company which are restricted to hold for three years after the acquisition, each year 1/3 is released from restrictions. As the shares require continued employment of the participants, the shares are accounted as share based payments in line with IFRS2. Restrictions for 1/3 of the shares (187,500) were released on 18 June 2020 in accordance with the agreement and expenses were ceased to be accounted for the same portion after 19 June 2020.

The purpose of the share-based compensation is to attract and retain management and employees and align the interests of management and eligible employees with those of shareholders, by providing additional incentives to improve the group's performance on a long-term basis.

For further information on our share-based compensation, reference is made to Note 7 in our Annual Report 2019.

7. Financial result

The financial result decreased by EUR 43.4 million to EUR 41.0 million negative in the first half of 2020 from EUR 2.4 million positive in the same period last year. This decrease is mainly due to the fair value adjustment of our early redemption option relating to the senior notes amounting to EUR 20.1 million loss (EUR 21.4 million gain in H1 2019).

The breakdown of the financial result for the six months period ended 30 June 2020 is as follows:

- Interest expense on financial liabilities of EUR 17.0 million (2019: EUR 14.4 million);
- Amortisation of financing fees EUR 1.5 million (2019: EUR 1.5 million);
- Net foreign exchange losses of EUR 0.3 million (2019: net foreign exchange losses of EUR 0.2 million);
- Net change in fair value of financial liabilities excluding the option revaluation of EUR 0.2 million positive (2019: EUR 1.3 million negative);
- Financial lease related interest income and expenses in net of EUR 1.6 million expense (2019: EUR 1.2 million);

- Early redemption option revaluation of EUR 20.1 million loss (2019: EUR 21.4 million gain);
- Other costs of EUR 0.7 million (2019: EUR 0.5 million).

8. Earnings per share

	Q2		H1	
Earnings per share	2020	2019	2020	2019
Basic earnings per share (euro)	(0.10)	0.32	(0.12)	0.56
Diluted earnings per share (euro)	(0.10)	0.31	(0.12)	0.55
Adjusted basic earnings per share (euro)	0.35	0.38	0.70	0.74

Quarterly figures are neither audited, nor reviewed.

8.1. Basic earnings per share

The calculation of basic earnings per share was based on the loss attributable to ordinary shareholders of EUR 10,664 thousand for the six months ended 30 June 2020 (for the six months ended 30 June 2019: EUR 50,048 thousand) and weighted-average number of ordinary shares of 90,128,939 for the six months ended 30 June 2020 (for the six months ended 30 June 2019: 89,407,231).

8.2. Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 957,709 for the six months ended 30 June 2020 (for the six months ended 30 June 2019: 779,968).

8.3. Adjusted net income per share

The Group calculates the Adjusted net income for the six months ended 30 June 2020 to be EUR 63.5 million (for the six months ended 30 June 2019: EUR 66,1 million). Adjusted net income is defined as Adjusted EBITA, less adjusted net finance costs of EUR 20.7 million (for the six months ended 30 June 2019: EUR 17.5 million) and less tax costs of EUR 6.7 million (for the six months ended 30 June 2019: EUR 8.6 million). All comparison figures contain IFRS16 related income and expenses.

Based on this Adjusted net income and taking the weighted-average number of basic shares for the six months ended 30 June 2020 of 90,128,939 (for the six months ended 30 June 2019: 89,407,231), the adjusted net income per share is EUR 0.70 (for the six months ended 30 June 2019: EUR 0.75 excluding IFRS16, EUR 0.74 including IFRS16).

9. Investments in equity-accounted investees

In March 2020, Intertrust sold it's 50% interest in its equity-accounted investee in Italy. The result of the sale is not material for further disclosures. With this transaction, the balance of the equity-accounted investees is nil.

10. Acquisition-related intangible assets

During the six months ended 30 June 2020, there were new acquisition-related intangible assets recognised in our balance sheet regarding the acquisition of Round Hill Capital. See more details under (Note 11).

The amortisation of acquisition-related intangible assets for the six months ended 30 June 2020 was EUR 25,013 thousand (for the six months ended 30 June 2019: EUR 21,341 thousand).

In addition, EUR 24 million was accounted as impairment of goodwill of CGU Jersey as at 30 June 2020, resulting in amortisation and impairment of acquisition related intangibles and goodwill to arrive to EUR 49.0 million for the six months ended 30 June 2020.

Impairment testing

Goodwill is tested for impairment annually in the fourth quarter and quarterly in case of triggers identified. For the CGU's Jersey and Viteos this led to an impairment test for the financials as at 30 June 2020. For Jersey the main indicator was the decrease of revenue in the Private Wealth and Corporate Services service lines. For Viteos the main indicator was the delay of client inflow replacing ending client contracts.
The amount of goodwill tested for impairment was EUR 172,2 million for CGU Jersey (which excludes synergy goodwill of EUR 19.9 million) and EUR 90,8 million for CGU Viteos.

As there were no indicators for impairment of any of the other CGUs, management has not updated any of the other impairment calculations.

The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

(EUR 000)	Balance at 01 January 2020	Business combinations	Effect of movements in exchange rates relating to gross values	Gross value balance at 30 June 2020	Impairment loss	Balance at 30 June 2020
CGU Netherlands	307,914	-	120	308,034	-	308,034
CGU Luxembourg	165,813	3,195	92	169,100	-	169,100
CGU Americas excluding Viteos	251,009	-	843	251,852	-	251,852
CGU Jersey	204,453	-	(11,413)	193,040	(24,000)	169,040
CGU Viteos	90,497	-	292	90,789	-	90,789
CGU Rest of the world excluding Jersey	175,549	-	(2,289)	173,260	-	173,260
Total	1,195,235	3,195	(12,355)	1,186,075	(24,000)	1,162,075

An impairment loss of EUR 24.0 million was recognised for Jersey CGU, reducing the carrying amount of the goodwill to EUR 169.0 million. Goodwill on synergy expectations arising from the Viteos acquisition allocated to Jersey is not impacted by impairment and amounted to EUR 19.9 million as at 30 June 2020 (31. December 2019: EUR 19.9 million).

The goodwill impairment test as at 30 June 2020 used cash flow projections where year 1 is based on detailed financial forecasts, for the year 2 to 3 on detailed outlook and the years 4 to 5 on estimates, prepared by management for each tested cash generating unit based on expectation of future outcomes taking into account past experience. The revenue and expenses growth rates assumed beyond the initial 5-year period have been based on the expected long-term inflation rate.

The basis of the recoverable amount used in the 2020 interim impairment tests for these two CGU's is the value in use. The methodology is in line with annual tests performed in 2019. For Viteos CGU the test performed at year end 2019 was based on Fair value less cost of disposal due to the relatively short period (6 months) since Intertrust acquired Viteos. For details see Note 16.1 of our Annual Report.

Discount rates used are post-tax and reflect specific risks relating to the relevant operating segments. Management considered the effects of applying a pre-tax approach and concluded that this will not materially change the outcome of the impairment test.

The values assigned to the key assumptions used in the calculations are as follows for the years 4 to 5:

- CGU Jersey: market growth 0.8% and annual margin evolution reduction of 0.1%;

- CGU Viteos: market growth 4.5% and annual margin evolution improvement of 1.0%.

Other key assumptions used in the calculations are:

- CGU Jersey: terminal growth rate 0.6% and discount rate 7.9% (year end 2019 6.8%);
- CGU Viteos: terminal growth rate 1.4% and discount rate 9.3% (year end 2019 7.9%).

The changes in discount rates and terminal value growth rates are mainly driven by external economic factors.

In the impairment tests performed as at 30 June 2020, the estimated recoverable amounts of the CGU's tested resulted in an impairment loss for Jersey, and in case of CGU Viteos, it exceeded the carrying value of the unit, therefore no impairment loss was recognized.

Sensitivity to changes in assumptions

For Viteos CGU, a reasonably possible change in any of the above-mentioned key assumptions will not cause the recoverable amount to fall below the level of its carrying value.

11. Business combinations

2020

Round Hill Capital

On 21 January 2020, the Group acquired Round Hill Capital's legal and corporate administration services business. It does not have a material impact on the Company's financial position or results and in accordance with IFRS3 no further information is disclosed.

2019

Viteos

On 17 June 2019, the Group acquired 100% of the shares and voting rights in the company of Viteos from PPC Enterprises LLC, FiveW Capital LLC (an affiliate of 22C Capital) and Viteos management.

Viteos had approximately 715 employees and operates a global delivery model with its headquarters and sales team in the U.S. supported by Centres of Excellence in India.

The acquisition was funded through debt (new USD 150 million term loan plus USD 99 million RCF) and cash on balance sheet with USD 11 million re-invested by Viteos' management and key employees in Intertrust shares.

The Group acquired Viteos on 17 June 2019 and consolidated as of 18 June 2019.

From the date of acquisition to 30 June 2019, Viteos contribution to the revenue and adjusted EBITA to the Group's interim financial statements was EUR 1.7 million and EUR 0.7 million respectively for the six months period ended 30 June 2019. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue for the six months period ended 30 June 2019 would have increased by EUR 23.2 million and adjusted EBITA by EUR 7.3 million.

Identifiable assets acquired and liabilities assumed

The fair value of the asset and liabilities were defined as a fair proxy of the market value. The following table summarises the recognised fair value amounts of assets acquired and liabilities assumed at the acquisition date:

(EUR 000)	Fair value determination approach[1]	Fair Value recognised on acquisition
Property, plant and equipment	Cost	9,023
Intangible assets	Multi-period excess earnings and relief from royalty	76,755
Trade receivables[2]	Cost	4,837
Other receivables	Cost	9,072
Current tax assets	Cost	52
Deferred tax assets	Income	3,992
Prepayments	Cost	1,731
Cash and cash equivalents	Cost	9,257
Assets		114,719
Other financial liabilities	Cost	45,274
Deferred tax liabilities	Income	22,659
Deferred income	Income	766
Current tax liabilities	Cost	3,035
Trade payables	Cost	675
Other payables	Cost	3,559
Liabilities		75,968
Total identifiable net assets at fair value		38,751

1 The fair valuation method mentioned for each financial position is the most typical for each category applied at the acquisition.

2 Trade receivables at acquisition amounted to EUR 4.8 million based on the contractual amount and a limited amount of expected credit loss.

Consideration transferred and restricted share issue

The total consideration was EUR 259,451 thousand and transferred in cash.

Intertrust N.V. issued 561,150 shares with restrictions subject to continuous employment on shares which were granted to key management of Viteos transferring to Intertrust ("Roll-over plan"). The Group has recognised in the equity these restricted shares on a nominal value of EUR 0.60, and will build the reserves for the fair value of these shares within the upcoming 3 years counting from the acquisition date based on the IFRS2 requirements for post-combination benefits. See more details on the cost inclurred for the six months period ended 30 June 2020 in Note 6.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

(EUR 000)	2019
Consideration transferred	259,451
Fair value of identifiable net assets	(38,751)
Goodwill	220,700

Acquisition related expenses

The Group incurred acquisition-related costs of EUR 7,775 thousand related to external legal fees and due diligence costs. These costs have been recognised in other operating expenses in the Group's consolidated statement of comprehensive income in 2019.

Impact on cash flow

(EUR 000)	2019
Consideration transferred	(259,451)
Cash acquired (excluding cash on behalf of clients)	9,257
Acquisition	(250,194)
Repayment of loans	(37,151)[1]
Total impact cash	(287,345)

1 This repayment is included in the "Repayment of loans and borrowings banks" line in the Consolidated statement of cash flows.

For more detailed disclosures we refer to Note 14 of our Annual Report 2019.

ABN AMRO's Escrow and Settlement business

On 7 February 2019 Intertrust announced the signing of the acquisition of ABN Amro's Escrow and Settlement services business. The transaction was approved by the regulator and completed on 1 November 2019. It does not have a material impact on the Company's financial position or results and in accordance with IFRS3 no further information is disclosed.

12. Property, plant and equipment ('PPE')

In 2019, the Company transitioned to IFRS16. Major change in the PPE at that time was relating to right of use assets included in this category. The Group signed new lease agreements in current year which caused an increase of the right of use assets by EUR 1.3 million. Depreciation of right of use assets for the six month period ended 30 June 2020 was EUR 1.3 million. No other major movements happened in PPE.

13. Capital and reserves

13.1. Share capital

The subscribed capital from 31 December 2019 (EUR 54,190 thousand) remained the same till 30 June 2020. Number of shares issued was 90,316,352 as at 31 December 2019 and no change since then. There was no change in the nominal value per share of EUR 0.60 either.

13.2. Share premium

At 30 June 2020 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2019 and 30 June 2019.

13.3. Retained earnings

The retained earnings include accumulated profits and losses, plus re-measurements of defined benefit liability (asset) and equity-settled share-based payment.

The final dividend for the year 2019 was cancelled.

Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 30 June 2020, the Group held 118,336 of the Company's shares (31 December 2019: 260,846). The decrease is due to share based payment grants that vested as at 1 April 2020.

14. Financial instruments

Credit risk

Our internal credit risk assessment did not change compared to the disclosure Note 23 in our Annual Report 2019. With respect to the net trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Liquidity risk

There has been no change in our liquidity risk assessment compared to our disclosure Note 23 in our Annual Report 2019.

Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency). This did not change compared to previous year. The exposures are mainly with respect to the US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Pound sterling and US Dollars, the notes are denominated in Euro. With the acquisition of Viteos in 2019, the Group is exposed to Indian Rupie (INR) risk as well which will be addressed in Q3 2020.

In the translation of our foreign operations to our functional currency, we have recognised in the Other comprehensive income in H1 2020 EUR 23.2 million loss mainly due to the USD and GBP foreign currency exchange rate movement.

Interest rate risk

The risk relates to the Group's long term debt obligations with floating interest rates. To manage this risk the Company continues to hold interest rate swaps.

Capital management

The capital structure of the Group did not change significantly. Leverage ratio at the end of the reporting period was 3.81x. To create additional leverage headroom during these uncertain macro-economic circumstances, we have reached an agreement in Q2 2020 with the banks to increase the maximum leverage ratio covenant from 4.5x to 5.0x until 31 December 2020. The current leverage ratio is within the agreed level of our current facilities.

Fair value and fair value estimation

The fair values of our financial assets and liabilities as at 30 June 2020 are estimated to approximate their carrying value. There has been no change in the fair value estimation technique and hierarchy of the input used to measure the financial assets/liabilities carried at fair value through profit or loss compared with the method and hierarchy disclosed in our Annual Report 2019. There are level 1 and level 2 fair values. No transfers between levels were applicable in 2020 and 2019.

The fair value of the bond has decreased as well as the fair value of the early redemption option of the bond. The bond's carrying value is EUR 493.9 million (Level 2) versus the market quoted price is EUR 502.4 million (Level 1) as at 30 June 2020 (2019: EUR 493.7 million and EUR 531.7 million respectively). The bond is accounted on amortised cost as disclosed in our Annual Report 2019. The fair value adjustment of the early redemption option of the bond however is accounted and disclosed in fair value through profit and loss account, where the value as at 30 June 2020 was EUR 3.4 million compared to EUR 23.5 million as at 31 December 2019. See further details under Note 7. The option is classified under non-current other financial assets in the Balance sheet of the Group and its level in the fair value hierarchy is still at level 2 as disclosed in our Annual Report 2019. Due to uncertainty in the capital markets during the half year, the price of our senior notes fluctuated and amounted to 100.31 at the end of H1 2020. This resulted in a EUR 20.1 million reversal of the fair value adjustment of the early redemption option in 2020 arriving to EUR 3.4 million fair value (Level 2) as at 30 June 2020. This fair value adjustment has no impact on our cash flow.

15. Cash flow hedges

The balance at 30 June 2020 includes interest rate swaps to cover part of the fluctuations on the floating interest on the USD and GBP debt. There were no new swaps entered in 2020.

The USD and GBP hedges were assessed to be effective at 30 June 2020. Balance sheet positions recognised as liabilities at 30 June 2020 were EUR 9,984 thousand (2019: EUR 5,159 thousand). The increase is mainly due to the fair value change of the hedges.

16. Other non-current and current financial liabilities

Financial lease liabilities are disclosed under the other non-current and current financial liabilities. In line with the right of use asset increase in 2019 disclosed in Note 12 the major change in the financial lease liabilities were relating to those. Payments are included in the cash flow statement. Other movements are not material to the Group.

17. Contingencies

Intertrust is involved in governmental, regulatory, and legal proceedings and investigations in several jurisdictions, involving amongs others claims in the ordinary course of business. While it is not feasible to predict or determine the ultimate outcome of all pending or potential governmental, regulatory, legal proceedings and investigations, we concluded that an aggregate amount of the liabilities cannot be estimated reasonably and we consider that the possibility of outflow is not probable. Where necessary legal and/or external advice has been obtained. Contingencies did not change materially compared to what was disclosed in the 2019 Annual Report.

18. Commitments

In the first half of 2020, there were no material changes to the group's commitments from those disclosed in Note 31 of our Annual Report 2019.

19. Related parties

During the six months ended 30 June 2020, the transactions with related parties were conducted at arm's length basis.

The transactions with key management personnel do not deviate significantly from the transactions as reflected in the financial statements as at and for the year ended 31 December 2019.

20. Subsequent events

There are no significant events that have occurred since balance sheet date that would change the financial position and which would require adjustment or disclosure in these condensed consolidated interim financial statements.

21. Non-IFRS Financial measures

Definitions

For the definitions of non-financial measures we refer to the Glossary in the Annual Report 2019. Other than those defined there, we give more clarification as listed below on:

- Specific items of income or expenses are income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include:
  - Transaction costs;
  - Integration and transformation costs;
  - Rollover share-based payment;
  - Share-based payment upon IPO;
  - Share-based payment upon integration;
  - Income/expenses related to disposal of assets.

  Specific items are not of an operational nature and do not represent the core operating results.
- Underlying is defined as current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s).
- EBITDA is defined as profit/(loss) from operating activities excluding depreciation, amortisation and impairment.

- Adjusted EBITDA is defined as EBITDA excluding specific items.
- Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation, amortisation of other intangible assets and impairment of goodwill.
- Adjusted net income is defined as Adjusted EBITA less net interest costs, less tax expenses and share of profit of equity. accounted investees (net of tax) and excluding adjusting items in financial results and income taxes.
- Adjusted earnings per share is defined as adjusted net income divided by the weighted-average number of basic shares for the period.
- Adjusted net interest is defined as net finance cost excluding Forex gains and losses and fair value adjustments (for specific financial instruments) recognised in the Income Statement.
- Net debt is defined as the net of the cash and cash equivalents excluding cash on behalf of customers and gross value of the third party indebtedness.
- Leverage ratio is defined as total net debt (on "last twelve months" (LTM) average FX rates) divided by the adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions and other SFA adjustments such as the addback of LTM LTIP, Share deferral plan (SDP) and Rollover share plan accruals.
- Effective tax rate ("ETR") is calculated as minus one times income tax expense divided by the profit before tax of the Group.
- Capital expenditure ("Capex") is defined as investments in property, plant, equipment, software and other intangible assets not related to acquisitions and excludes right of use assets.

Review report

To: the Shareholders and the Supervisory Board of Intertrust N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 30 June 2020 of Intertrust N.V., Amsterdam, (the "Company"), which comprises:

- the condensed consolidated interim statement of profit or loss;
- the condensed consolidated interim statement of comprehensive income;
- the condensed consolidated interim statement of financial position;
- the condensed consolidated interim statement of changes in equity;
- the condensed consolidated interim statement of cash flows; and
- the notes to the condensed consolidated interim financial statements, comprising a summary of the significant accounting policies and other explanatory information.

The Management Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Dutch Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

Three months interim financial information not audited or reviewed

The Company did not prepare condensed consolidated interim financial information for the three-month period ended 30 June 2019 and for the three-month period ended 30 June 2020 and, therefore, such quarterly information is not audited or reviewed. Consequently, the three-month figures included in the condensed consolidated interim statements of profit or loss, comprehensive income, and cash flows and in the related notes of the condensed consolidated interim financial information as at 30 June 2020 have not been audited or reviewed.

Amstelveen, 29 July 2020

KPMG Accountants N.V.

R.Huizingh RA