

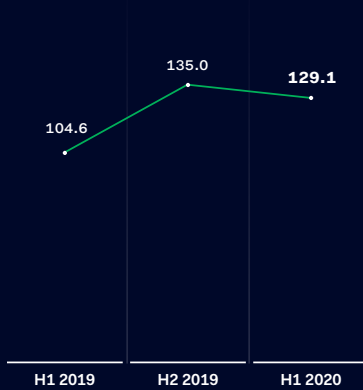


H1 2020

Shareholder letter

adyen

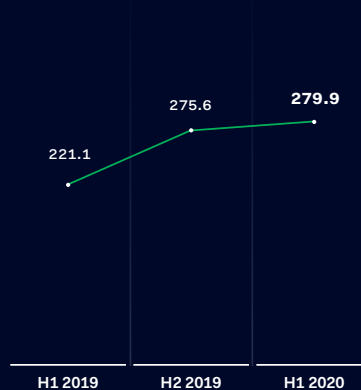
Summary



Processed volume

€129.1 BN

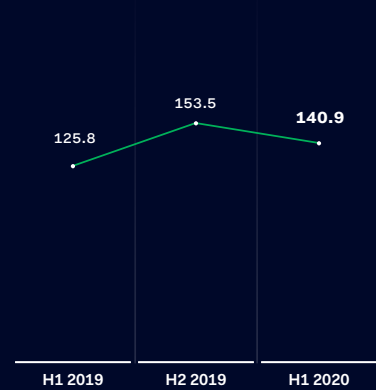
↗ 23% YOY



Net revenue

€279.9 MN

↗ 27% YOY



EBITDA

€140.9 MN

↗ 12% YOY



Continued profitable growth during the COVID-19 pandemic

- » Business resilience due to diversification across verticals, merchant base and geographies
- » Online retail and digital goods volumes accelerated while travel and in-store volumes slowed down following lockdown restrictions
- » EBITDA margin at 50% as we continue to invest in headcount



Building for the long term – people and tech

- » Scaling the team to capitalize on long-term growth opportunities
- » Investing in the platform with 43% of new hires in tech
- » Maintaining the Adyen culture, for now from a distance



Volume contributions across growth pillars

- » Onboarding volume at scale in the enterprise space
- » Continued increase of merchants opting for unified commerce approach
- » Investments in long-term approach to mid-market



Incremental innovation led by merchants' needs

- » Ongoing build-out of product suite to address merchants' needs
- » Expanding the global footprint of the single platform
- » New product features to solve for complexity across the industry

Continued profitable growth amid challenging macroeconomic environment

Dear shareholders,

August 20, 2020

In line with previous periods, we saw continued profitable growth during the first half of 2020. We processed €129.1 billion in the period, up 23% year-on-year. Net revenue for the first half of the year was €279.9 million, up 27% year-on-year, with EBITDA at €140.9 million. Due to the continued diversification of our merchant base across verticals and geographies, the business has proven itself especially resilient in the first half of the year, despite the COVID-19 pandemic. Illustrative to this resilience is how online retail and digital goods volumes accelerated while travel¹ and in-store volumes slowed down after global lockdown restrictions went into effect.

Several historical trends did persist over the past six months, as existing merchants contributed to over 80% of our growth, overall merchant concentration continued to decline, and volume churn was below 1%.

For the long term, the payments space continues to benefit from several tailwinds including the shift from cash to cashless payments, the increase in cross-border commerce and the blurring of lines between the offline and online shopping channels. In addition to these trends, the reopening of physical stores increases the need for merchants to work with a tech-first payments partner to facilitate contactless shopping experiences.

¹ Airlines, online travel agencies and accommodation

Due to the COVID-19 pandemic, the day-to-day of many of our merchants changed drastically. Therefore, our focus was to meet their needs in this ever-shifting reality. We have found our product suite to be particularly suited to rapid adaptations during these challenging times. When stores shut down we were able to help merchants move volumes online quickly, and in recent reopening scenarios we have facilitated several contactless in-store set-ups.

Figure 1

Weekly total processed volume and weekly travel volumes indexed to the first week of January

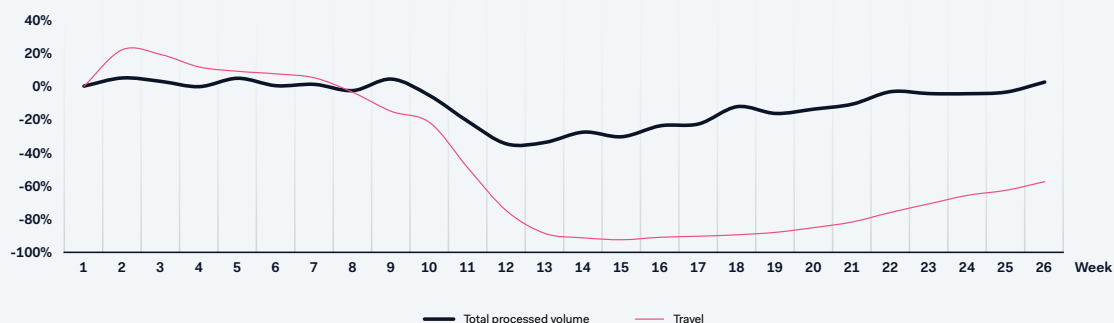
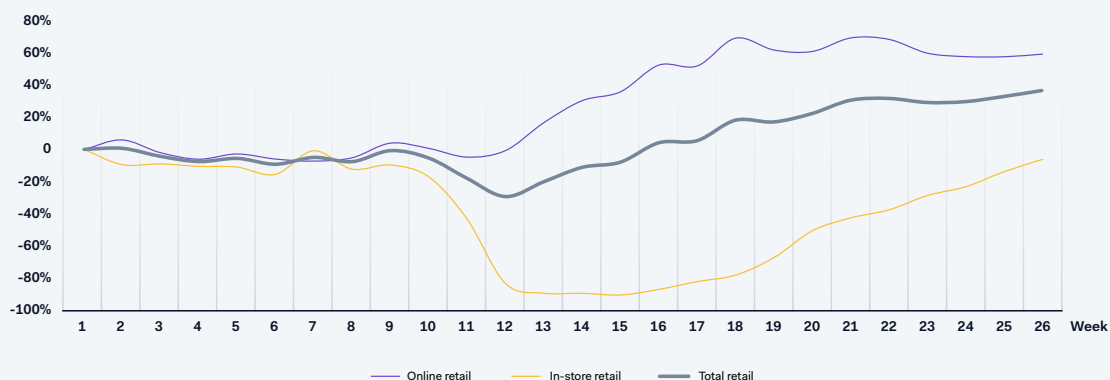


Figure 2

Weekly retail processed volumes² indexed to the first week of January



² In-store retail is not a proxy for total point-of-sale volume

As illustrated in our April Trading Update, we saw a dip in volume in March driven by the pandemic's impact on the travel and in-store retail verticals. The decline in these volumes stabilized quickly, while online retail and digital goods volumes accelerated after global lockdown restrictions went into effect. Following the publication of the Trading Update, travel volumes have begun to slowly recover (see Figure 1). Simultaneously, the upward trend in online retail volume persisted even though lockdown restrictions eased in some geographies – illustrating how the pandemic has accelerated the already ongoing shift from in-store to online (see Figure 2).

Point-of-sale (POS) processed volume was €11 billion in H1 2020, making up 9% of total processed volume, compared to €11 billion and 11% of total processed volume in H1 2019. Year-on-year growth was limited mainly due to the forced closure of physical stores around the world.

Full-stack volume share (i.e. volume for which we earn both a processing and settlement fee) for H1 2020 was 77%, up from 71% in H1 2019. This is chiefly due to the impact of global lockdown measures on the travel vertical, as airline volume traditionally made up the largest part of our gateway-only volume. The remaining portion of gateway-only volume relates either to markets wherein we do not yet offer local acquiring, or to volumes of payment methods that often sign direct contracts with merchants such as American Express and PayPal.

We continuously invest in building out the platform with merchant-led innovations. Following this approach, we recently expanded our global acquiring footprint to include Malaysia and added key local payment methods including GrabPay in APAC and Amazon Pay in Europe.

Despite the pandemic forcing the shift to a work-from-home environment and some initial logistical challenges such as remote onboarding, we have been able to grow the team at higher pace in H1 2020 than in previous periods. With our intent to capitalize on long term opportunities and scale the team accordingly, we added 266 FTE in the first half. The Adyen team now totals 1,448 FTE.





Volume contributions across growth pillars

In line with previous years, enterprise merchants already on the platform continued to be our largest growth driver both in the form of us winning additional volumes with them and their organic growth. While merchants' priorities shifted during the pandemic towards themes such as operational resilience and business continuity, their interest in partnering with us remained unchanged. We continued to focus on onboarding volume at scale and were able to add enterprise merchants to the platform with timelines largely unaffected by COVID-19. The addition of leading names such as iFood, Fiverr and Delhaize to the platform underscores the success of our strategy in this space – offering a best-in-class solution to large merchants looking to future-proof their payments.

We partner with our merchants to solve for their complexities and typically win additional volume after successfully doing so. Illustrative of this land-and-expand approach is how our partnership with Zalando evolved over the past year. As a result of our ability to clear potential regulatory hurdles in the form of PSD2 last year, we recently grew the relationship to the point where we now process their full European acquiring volume.

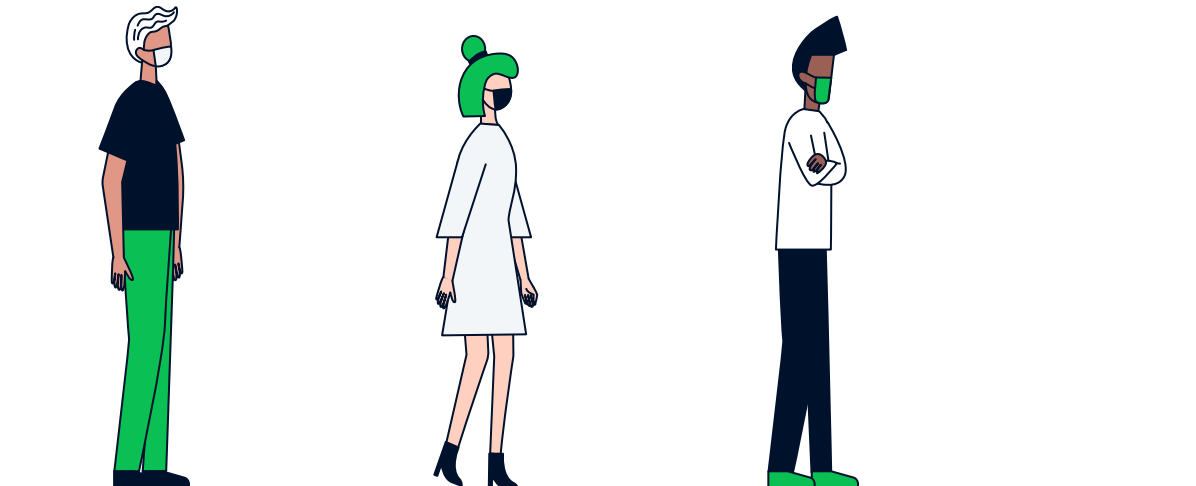
In the unified commerce segment, shoppers increasingly expect seamless experiences across sales channels – continuously driving the blurring of lines between offline and online. This longer-term trend was clearly reflected on the platform as we saw the number of merchants adding a second channel continued to increase in H1 2020. Recent additions to our unified commerce portfolio are GoSport, Pandora and Incu – underlining the ongoing success of unified commerce in the retail sector.



The day-to-day of merchants in the in-store retail and quick-service restaurant sectors was dominated by lockdown restrictions. We saw that merchants with a unified commerce set-up (i.e. processing both channels with Adyen) were more robust than single-channel merchants, as they were able to efficiently shift volumes to the online channel. With lockdown restrictions easing in some geographies and in-store volumes coming back, we see the surge in online volumes persist. We are ready to help merchants reopen safely, as the full range of our POS devices facilitates contactless payments.

For merchants without the online channel that had to move volumes online quickly, we were able to use Pay by Link, an easy-to-implement integration of our Checkout product, to help them do so and keep sales flowing during global lockdowns. We have seen remarkable uptake from merchants in the high-end retail sector, which has traditionally been very focused on in-store. In this space, Pay by Link was instrumental in providing tailored shopping experiences – now online.

In mid-market, we continued to invest in our long-term approach of moving into the next-adjacent segment to enterprise. We are investing in our plugin solution, our approach to partnerships and the expansion of our mid-market salesforce. Our value proposition to mid-market merchants is grounded in our ability to future-proof their payments set-up and provide access to the full strength of the Adyen platform via simplified integrations – so they can focus on growing their business. In the current macroeconomic environment, this facilitative approach translated into us helping these merchants navigate challenging times instead of imposing stricter measures across the board.





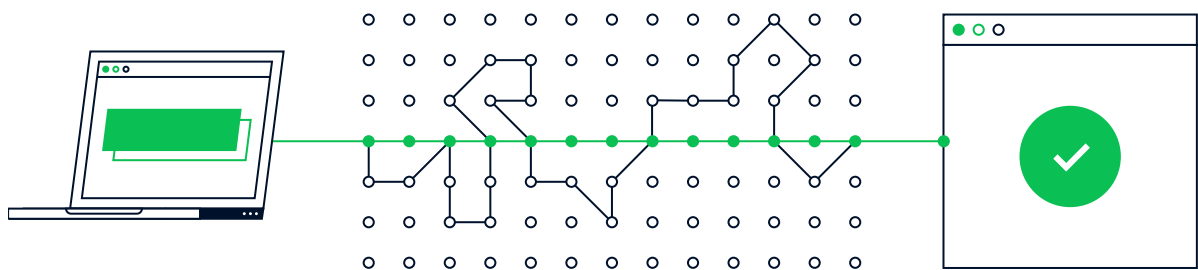
Incremental innovation on the single platform

We offer our merchants a membership to ongoing innovation and work to facilitate their growth through incremental innovations. In line with this philosophy we improved RevenueAccelerate, our revenue optimization product, with enhanced machine learning capabilities to facilitate higher authorization rates. RevenueAccelerate automatically tests and runs multiple optimizations for every transaction on both the gateway and acquiring levels. This means that even if a merchant sees a card for the first time, we may have seen that card before and thus know how to best treat that transaction – consequently uplifting authorization rates.

On Adyen Issuing, the first half of the year was momentous as we are now live with the first Adyen Issuing transactions. We are working closely with our pilot merchants to further build out the product and are very excited about potential future applications.

To accommodate for the trend towards stronger authentication across the industry, including but not limited to the PSD2 regulation in Europe, we updated our 3DS2 product with a whitelisting feature. Our merchants' shoppers are now able to identify our merchants' brands as trusted beneficiaries, and after an initial two-factor authentication transaction skip the need for future checks. We see whitelisting being significant moving forward as it removes barriers to completing a purchase and have seen impressive first results.

Equally solving for regulatory complexity is Adyen for Platforms' hosted onboarding feature, with progressive information verification and checks enabling a smooth sub-seller onboarding process. Facilitating compliance with local requirements with minimal required development work, this feature enables our merchants' growth into new geographies at a higher pace. This allows for increased scalability of Adyen for Platforms, making the solution more attractive to merchants that run platforms. Additionally, with the expanded roll-out of eBay volumes underway, there has been a strong focus on building out the robustness of our Adyen for Platforms offering.





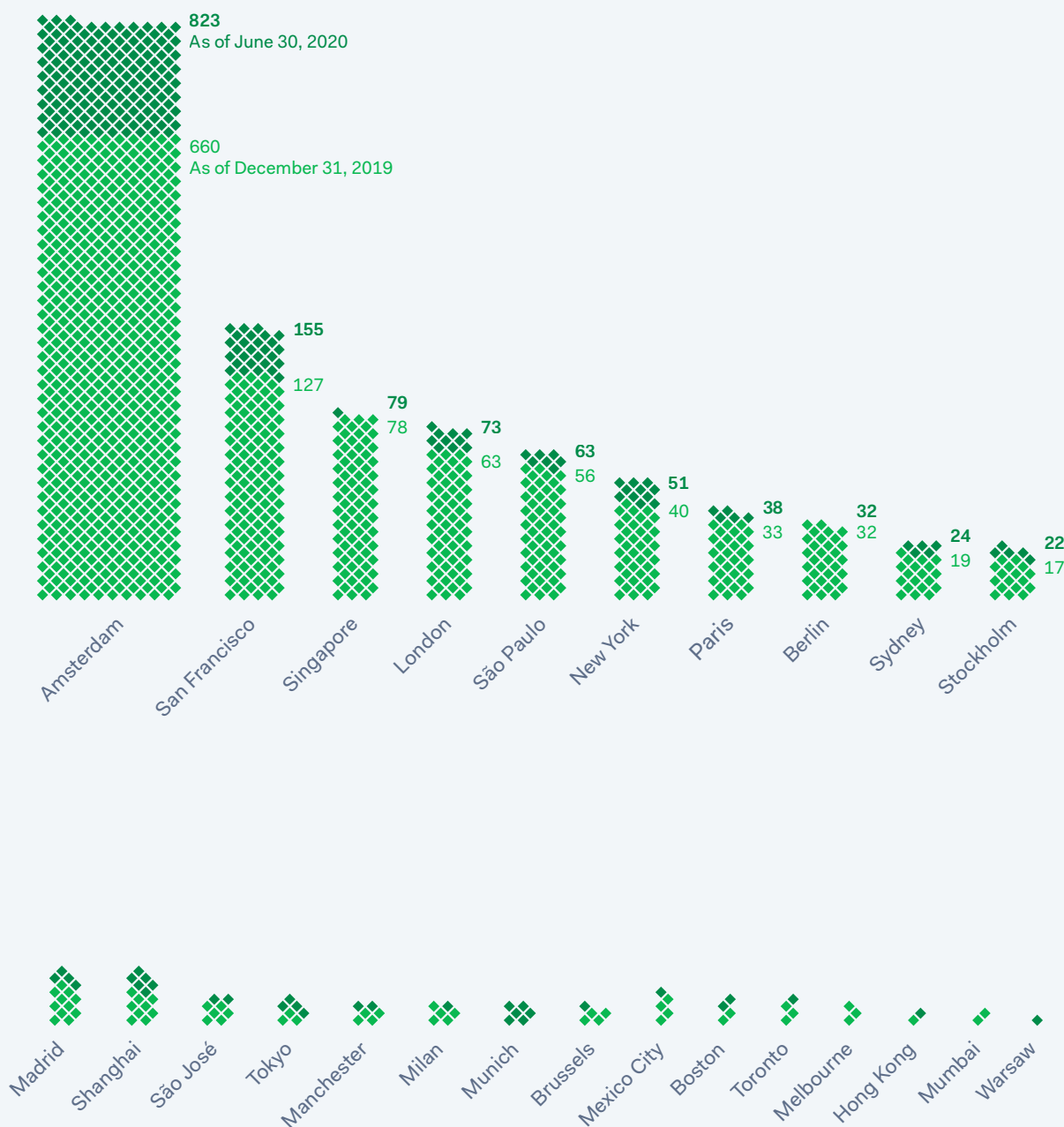


Figure 3

Adyen's H1 2020 FTE growth



Building Adyen for the long term

We have always built Adyen for the long term, and as such continuously invest in the resilience of the single platform. With 43% of new hires in tech in H1 2020, this is mirrored in how we are building the team. We are a tech company, redefining payments. In addition, to best support our merchants' growth across geographies, 42% of new hires were in commercial roles.

To capitalize on long-term growth opportunities, we added 266 FTE to the team in the first half of the year. While initially slowed by some logistical challenges in Q2, such as remote onboarding and obtaining visas for international hires, we were able to keep up our hiring pace and expect to continue this in the near future. We continued to invest in new offices to facilitate for the team's future growth – one in Warsaw and a second larger office in Amsterdam.

To ensure the absorption of new hires into the team during a work-from-home setting, our onboarding process and the company introduction sessions moved online swiftly in March. Small groups of new joiners now meet at the office where possible – to further smoothen the onboarding process and get to know the Adyen culture.

While our hiring pace continued to accelerate, we kept a strong focus on maintaining our culture. Senior management continues to invest significant time in the hiring and the onboarding process, with every new hire meeting at least one board member prior to joining the team.

Even though we are fully equipped to work from home and have not experienced a slowdown in scaling or onboarding, we look forward to going back to the office when safe.

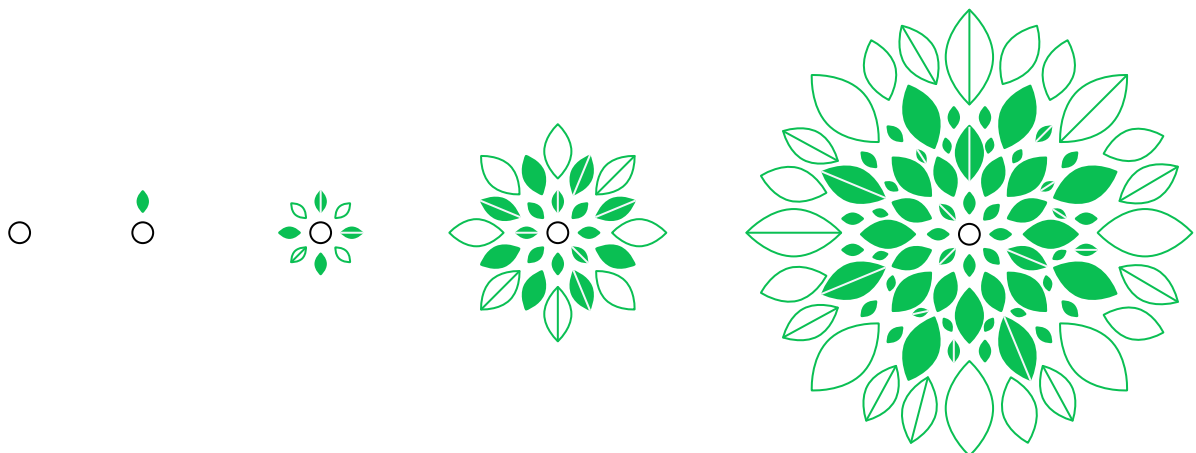
The Adyen team totaled 1,448 FTE as of June 30, 2020.

Discussion of financial results

Solid volume growth mainly from merchants already on the platform

We processed €129.1 billion in the period, up 23% year-on-year. This growth came mainly from the increased volumes of enterprise merchants already on the platform.

Point-of-sale processed volume was €11.0 billion and made up 9% of total processed volume in H1 2020, compared to €11.0 billion and 11% in H1 2019. Year-on-year growth was limited as global lockdown restrictions strongly affected in-store volume.





Net revenue growth reflecting continued diversification across regions

Net revenue for the first half of the year was €279.9 million³, up 27% year-on-year.

Diversification across regions continued in the first half of the year. Europe is still the largest contributor to net revenue with 63%, followed by North America (18%), Asia-Pacific (10%), and Latin America (9%).

On net revenue growth, North America (58%) and Asia-Pacific (28%) outpaced Europe (21%) and Latin America (15%).

Take rate was 21.7 bps in the first half of 2020, up from 21.1 bps in the first half of 2019. This delta is mainly due to the increase in full-stack volume in H1 2020. As previously noted, this is largely caused by the negative impact of global lockdowns on travel volume. Take rate continues not to be a driver for us, as the low cost of operating the single platform allows for a focus on incremental net revenue.

³ On a constant currency basis, H1 2020 gross revenue of €1,560 million would have been approximately 0.5% higher than reported. Please refer to Note 1 of the Interim Condensed Consolidated Financial statements for further detail on revenue breakdown.



Investing in long-term growth

Total operating expenses were €152.5 million in H1 2020, up 44% year-on-year and representing 54% of H1 2020 net revenue. Employee benefits are the main driver of our increased operating expenses.

Employee benefits were €87.6 million in the first half of 2020, up 60% year-on-year. This increase is mainly driven by our accelerated hiring pace over the past year.

Other operating expenses totaled €51.6 million in the period, up 27% from H1 2019. Sales and marketing expenses make up the largest part of these, totaling €21.4 million in the first half, up 59% from €13.5 million in the first half of 2019.

As we continue to expand into new geographies and verticals, we feel our marketing efforts are key in supporting this growth.



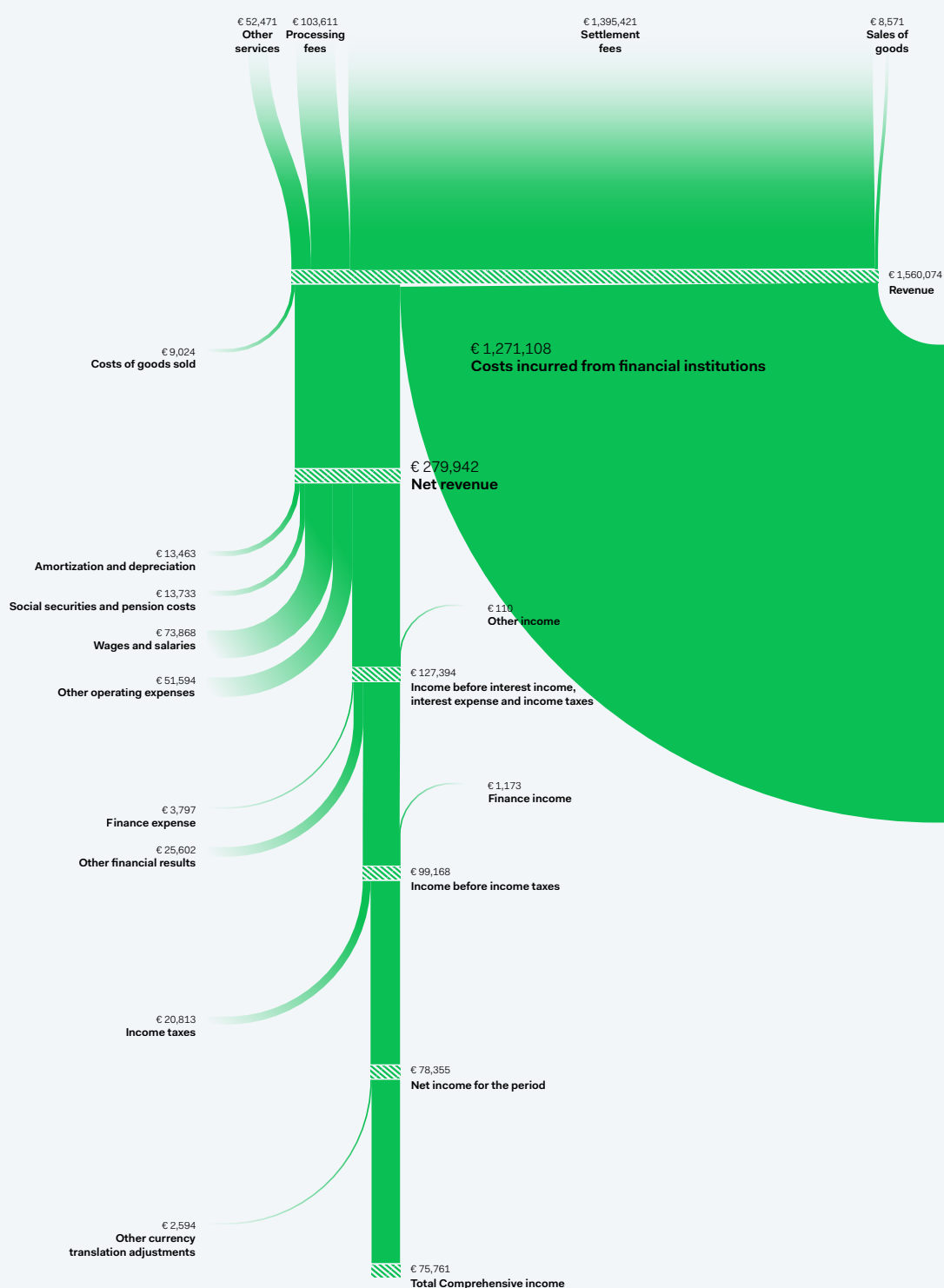


Figure 5

H1 2020 Income statement

All amounts in EUR thousands unless otherwise stated

EBITDA – Continued profitability while scaling Adyen for the long term

EBITDA was €140.9 million in H1 2020, up 12% from €125.8 million in H1 2019.

EBITDA margin was 50%, compared to 57% in H1 2019. This decrease is a result of our enhanced hiring pace, as growth in employee benefits exceeded net revenue growth in the first half of the year⁴.

Net income impacted by other financial results

Net income in the first half of 2020 was €78.4 million, down 15% from €92.5 million in the first half of 2019.

This decrease is primarily driven by the movement in other financial results, largely caused by the increase in the derivative financial instrument as a result of the increase in the Adyen share price in H1 2020.

Steady free cash flow conversion

Free cash flow was €129.3 million in the first half of 2020, up 15% from €112.4 million in the first half of 2019. We have now excluded lease payments from our free cash flow, as the costs associated are not included in EBITDA due to the IFRS 16 accounting change.

Free cash flow conversion ratio ((EBITDA-CapEx-Lease payments)/EBITDA) was 92% in the first half of 2020, up from 89% in H1 2019⁵.

Low CapEx due to operational scalability

Capital expenditures were 2% of net revenue in H1 2020, down from 4% of net revenue in H1 2019. This falls within our objective to maintain capital expenditure levels below 5% of net revenue due to the low cost of operating the single platform.

⁴ Due to the impact of IFRS 16, EBITDA margin is 3% higher than it would have been before the adoption of this accounting standard.

⁵ With lease payments included in free cash flow, H1 2020 free cash flow conversion ratio would have been 96%, compared to a H1 2019 free cash flow conversion of 93%.

Financial objectives

We have set the following financial objectives, which remain unchanged from our IPO prospectus.

Net revenue growth: We aim to continue to grow net revenue and achieve a CAGR between the mid-twenties and low-thirties in the medium term by executing our sales strategy.

EBITDA margin: We aim to improve EBITDA margin, and expect this margin to benefit from our operational leverage going forward and increase to levels above 55% in the long-term.

Capital expenditure: We aim to maintain a sustainable capital expenditure level of up to 5% of our net revenue.

We will host our earnings call at 15.00 CEST (09.00 EDT) today (August 20) to discuss these results.

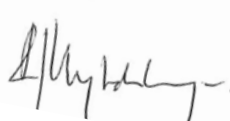
To listen to a live audio webcast, please visit our Investor Relations page at adyen.com/ir, where you can find a link. A recording will be available on the website following the call.

As an addendum to this letter, please find our H1 2020 financial statements and three one-page updates on our growth pillars (Enterprise, Unified commerce and Mid-market).

Sincerely,



Pieter van der Does
CEO

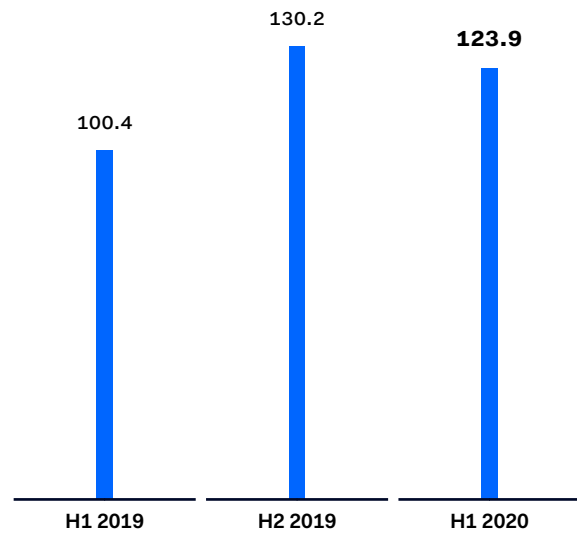


Ingo Uytdehaage
CFO



Enterprise

In line with previous periods, existing enterprise merchants contributed to the majority of our growth. We continued to win additional geographies, sales channels and product lines with existing enterprise merchants.



Enterprise volume in EUR billions



We continued to benefit from secular tailwinds – including the shift from cash to cashless, the increase in cross-border commerce and the global digitization of society.



Increased diversification across merchant base, geographies and verticals highlights continued success of the Adyen platform.



While expanding the global footprint of the platform, we were able to add household names across geographies with timelines largely unaffected by COVID-19.



We provide enterprise merchants with industry-leading technology – so they never have to rethink their approach to payments.

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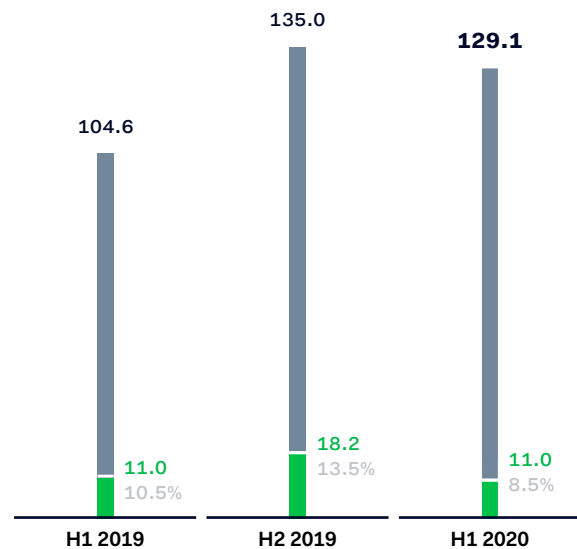
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Unified commerce

The day-to-day of many merchants changed severely due to the pandemic. We focused on helping them, by moving volumes online swiftly. In reopening scenarios, we are ready to help merchants open up safely – all our POS devices facilitate contactless.



POS volume evolution, including share of total processed volume in EUR billions



We saw an increase in merchants already on the platform adding a second channel – opting for the full strength of our unified commerce solution.



Merchants with a unified commerce set-up were able to quickly shift volumes online during global lockdowns – underscoring the robustness of our unified commerce solution.



Our ability to offer frictionless shopper experiences across sales channels led to continued success in the retail vertical.



The longer-term trend of shoppers expecting seamless shopping experiences across the in-store and online channels persisted in H1 2020.



MONICA VINADER



PANDORA

RIJKS MUSEUM

Mid-market

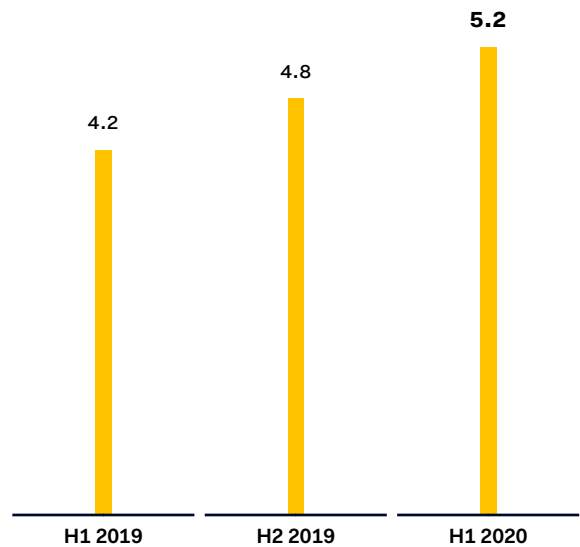
We continue to invest in our long-term approach of moving into the next-adjacent segment to enterprise. We provide these merchants with access to the full strength of the Adyen platform via simplified integrations, so they can focus on growing their business.



We continuously work to build out the product for mid-market merchants with a strong focus on simplifying their integration.



Mid-market volume growth already taking off at the same pace as that of the enterprise segment.



Mid-market volume in EUR billions. We define mid-market merchants as merchants processing up to €25 million annually on our platform. In H1 2020, 4,050 merchants met this definition.



Our plugin solution and approach to partnerships increases accessibility of the Adyen platform to mid-market merchants.



We saw a continuation of mid-market graduates growing into the enterprise space, organically funneling volume into this segment.

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Interim Condensed Consolidated
Financial Statements
H1 2020 Adyen N.V.



Consolidated statement of comprehensive income

For the six months ended June 30, 2020 and 2019
(all amounts are in EUR thousands unless otherwise stated)

	Note	H1 2020	H1 2019
Revenue	1	1,560,074	1,144,156
Costs incurred from financial institutions	1	(1,271,108)	(915,055)
Costs of goods sold	1	(9,024)	(8,005)
<i>Net revenue</i>		<i>279,942</i>	<i>221,096</i>
Wages and salaries	2	(73,868)	(45,012)
Social securities and pension costs	2	(13,733)	(9,803)
Amortization and depreciation		(13,463)	(10,338)
Other operating expenses	4	(51,594)	(40,452)
Other income		110	(1)
Income before interest income, interest expense and income taxes		127,394	115,490
Finance income		1,173	42
Finance expense		(3,797)	(2,334)
Other financial results	5	(25,602)	1,704
Net finance income/(expense)		(28,226)	(588)
<i>Income before income taxes</i>		<i>99,168</i>	<i>114,902</i>
Income taxes	6	(20,813)	(22,388)
Net income for the year		78,355	92,514
<i>Net income attributable to owners of Adyen N.V.</i>		<i>78,355</i>	<i>92,514</i>
<i>Other comprehensive income</i>			
Items that may be reclassified to profit or loss			
Currency translation adjustments subsidiaries		(2,594)	(258)
<i>Other comprehensive income for the year</i>		<i>(2,594)</i>	<i>(258)</i>
Total comprehensive income for the year (attributable to owners of Adyen N.V.)		75,761	92,256
Earnings per share (in EUR)			
- Net profit per share - Basic	13	2.59	3.13
- Net profit per share - Diluted	13	2.55	3.02

The accompanying notes are an integral part of these condensed consolidated financial statements.

Consolidated balance sheet

As at June 30, 2020 and December 31, 2019
(all amounts are in EUR thousands unless otherwise stated)

	Note	30/06/2020	31/12/2019
Intangible assets		7,776	7,640
Plant and equipment	11	29,654	30,219
Right-of-use assets	12	128,890	59,695
Other financial assets at FVPL	10	44,939	44,088
Contract assets	10	137,581	140,000
Deferred tax assets	6	98,690	71,633
Total non-current assets		447,530	353,275
Inventories	3	13,668	7,020
Receivables from merchants and financial institutions		581,608	443,333
Trade and other receivables		56,665	46,927
Current income tax receivables	6	12,954	-
Other financial assets at amortized cost	10	12,955	13,031
Cash and cash equivalents	8	2,080,368	1,745,388
Total current assets		2,758,218	2,255,699
Total assets		3,205,748	2,608,974
Share capital	7	303	301
Share premium	7	189,166	179,296
Other reserves		149,721	129,230
Retained earnings		637,782	559,494
Total equity attributable to owners of Adyen N.V.		976,972	868,321
Derivative financial instrument	10	60,700	35,800
Deferred tax liabilities	6	26,406	26,214
Lease liability	12	122,746	50,903
Total non-current liabilities		209,852	112,917
Payables to merchants and financial institutions		1,905,678	1,521,377
Trade and other payables		103,294	88,105
Lease liability	12	9,952	10,791
Current income tax payables	6	-	7,463
Total current liabilities		2,018,924	1,627,736
Total liabilities and equity		3,205,748	2,608,974

The accompanying notes are an integral part of these condensed consolidated financial statements.

Consolidated statement of changes in equity

For the periods ending June 30, 2020 and 2019
(all amounts are in EUR thousands unless otherwise stated)

	Note	Share capital	Share premium	Treasury shares	Legal reserves	Share-based payment reserve	Warrant reserve	Retained earnings	Total equity
Balance - January 1, 2019		296	160,209	(4,804)	6,582	8,671	54,219	357,231	582,404
Net income for the year								92,514	92,514
Currency translation adjustments					(258)				(258)
Total comprehensive income for the period		-	-	-	(258)	-	-	92,514	92,256
<i>Adjustments:</i>									
Intangible assets					1,392			(1,392)	-
Other adjustments					219			(18)	201
		-	-	-	1,611	-	-	(1,410)	201
<i>Transactions with owners in their capacity as owners:</i>									
Repurchase of depositary receipts				(18,323)					(18,323)
Options exercised			887			(887)			-
Proceeds on issuing shares			3,282						3,282
Movement resulting from treasury shares			8	151					159
Share-based payments	2					1,322			1,322
		-	4,177	(18,172)	-	435	-	-	(13,560)
Balance - June 30, 2019		296	164,386	(22,976)	7,935	9,106	54,219	448,335	661,301

	Note	Share capital	Share premium	Legal reserves	Other reserves	Warrant reserve	Retained earnings	Total equity
					Share-based payment reserve			
Balance - January 1, 2020		301	179,296	9,095	66,734	53,401	559,494	868,321
Net income for the year								
Currency translation adjustments				(2,594)			78,355	78,355
Total comprehensive income for the period		-	-	(2,594)	-	-	78,355	(2,594)
<i>Adjustments:</i>								
Intangible assets				136			(136)	-
Other adjustments				(1)			69	68
		-	-	135	-	-	(67)	68
<i>Transactions with owners in their capacity as owners:</i>								
Deferred tax on share-based compensation	6				23,298			23,304
Options exercised			707		(707)			-
Proceeds on issuing shares		2	9,163					9,165
Share-based payments	2				359			361
		2	9,870	-	22,950	-	-	32,822
Balance - June 30, 2020		303	189,166	6,636	89,684	53,401	637,782	976,972

The accompanying notes are an integral part of these condensed consolidated financial statements.

Consolidated statement of cash flows

For the six months ended June 30, 2020 and 2019
(all amounts are in EUR thousands unless otherwise stated)

	Note	H1 2020	H1 2019
Income before income taxes		99,168	114,902
<i>Adjustments for:</i>			
- Finance income		(1,173)	(42)
- Finance expenses		3,797	2,334
- Other financial results	5	25,602	(1,704)
- Depreciation of plant and equipment	11	5,340	4,165
- Amortization of intangible fixed assets		1,074	1,014
- Depreciation of right-of-use assets	12	7,048	5,160
- Share-based payments	2	3,639	1,322
<i>Changes in working capital:</i>			
- Inventories	3	(6,648)	(11)
- Trade and other receivables		(18,195)	(4,403)
- Receivables from merchants and financial institutions		(138,275)	(5,658)
- Payables to merchants and financial institutions		384,301	42,317
- Trade and other payables		11,909	9,615
- Deferred revenue		-	(364)
- Redemption financial assets at amortized cost		-	4,418
- Contract assets	10	2,369	800
Cash generated from operations		379,956	173,865
Interest received		1,173	42
Interest paid		(3,797)	(2,334)
Income taxes paid	6	(37,826)	(34,749)
Net cash flows from operating activities		339,506	136,824
Purchases of financial assets at amortized cost	10	(13,355)	(10,073)
Redemption of financial assets at amortized cost	10	13,088	7,275
Purchases of plant and equipment	11	(5,053)	(5,798)
Capitalization of intangible assets		(1,210)	(2,406)
Net cash used in investing activities		(6,530)	(11,002)
Share premium paid by the shareholders		9,163	3,282
Repurchase of depositary receipts (treasury shares)		-	(18,323)
Lease payments		(5,267)	(5,199)
Net cash flows from financing activities		3,896	(20,240)
Net increase in cash, cash equivalents and bank overdrafts		336,872	105,582
Cash, cash equivalents and bank overdrafts at beginning of the period		1,745,388	1,231,916
Exchange gains/(losses) on cash, cash equivalents and bank overdrafts		(1,892)	189
Cash, cash equivalents and bank overdrafts at end of the period		2,080,368	1,337,687

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to the condensed interim consolidated financial statements

General information

Adyen N.V. (hereinafter 'Adyen') is a licensed Credit Institution by De Nederlandsche Bank (the Dutch Central Bank) and registered in the Netherlands under the company number 34259528. The Credit Institution license includes the ability to provide cross-border services in the EEA. Adyen N.V. directly or indirectly owns 100% of the shares of its subsidiaries, and therefore controls all entities included in these interim condensed consolidated financial statements. Adyen shares are traded on Euronext Amsterdam, where the Company is part of the AEX Index.

All amounts in the notes to the interim condensed consolidated financial statements are stated in thousands of EUR, unless otherwise stated.

Basis of preparation

Adyen applies the option of publishing condensed group financial statements under IAS 34 – *Interim Financial Reporting*. The interim condensed consolidated financial statements for the first six months ended June 30, 2020 have been prepared in accordance with IAS 34. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Adyen annual consolidated financial statements for the year ended December 31, 2019.

In connection with the COVID-19 pandemic, and its effect on the macroeconomic landscape, Management has assessed the impact it has had and is having on the Adyen business. Adyen has merchants operating across many sectors and geographies, impacted in varying amounts by this situation. Due to this well-diversified merchant portfolio, top-line growth continued as compared to the prior year. In addition, Management continued to invest in the team and in providing solutions to better serve merchants.

Management has deemed no significant impact on the realizability of assets that rely on future profitability, such as deferred tax asset positions. During the first half of 2020, Management reassessed the expected credit loss model for Trade and other receivables, with no changes to the accounting policy disclosed in the financial statements for the year ended December 31, 2019. In addition, Adyen did not see a material increase in counterparty credit risk, nor did recognize material losses related to its merchant portfolio. All topics mentioned above continue to be monitored timely due to the fast-changing environment linked to the pandemic, and will be further elaborated on in the financial statements for the year ending December 31, 2020, in case of any material changes.

Relevant accounting policies

Significant and other accounting policies that summarize the measurement basis used and are relevant to understanding the financial statements are provided throughout the notes to the interim condensed financial statements.

Significant accounting estimates or judgements

Critical accounting policies involve a higher degree of judgement or complexity. The estimates applied are more likely to be materially adjusted due to inaccurate estimates and or assumptions applied. The areas involving significant estimates or judgements are:

- Principal versus agent for revenue out of settlement fees – refer to Note 1 'Revenue and segment reporting'
- Valuation of deferred taxes related to share-based compensation – refer to Note 6 'Income taxes'
- Fair valuation of financial liabilities at fair value – refer to Note 10 'Financial instruments'

New standards adopted by Adyen

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Adyen annual consolidated financial statements for the year ended December 31, 2019.

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

A number of new or amended standards became applicable for the current reporting period. Adyen did not change its accounting policies or make retrospective adjustments as a result of new accounting standards made applicable on January 1, 2020.

The qualitative impact assessment of the first-time application on January 1, 2020 of these standards is disclosed in Note 14 'New standards adopted by Adyen'.

Key disclosures

1. Revenue and segment reporting

The breakdown of revenue from contracts with customers per type of goods or service is as follows:

Types of goods or service (in EUR '000)	H1 2020	H1 2019
Settlement fees	1,395,421	1,017,317
Processing fees	103,611	79,163
Sales of goods	8,571	7,358
Other services	52,471	40,318
Total revenue from contracts with customers	1,560,074	1,144,156
Costs incurred from financial institutions	(1,271,108)	(915,055)
Costs of goods sold	(9,024)	(8,005)
Net revenue	279,942	221,096

Net revenue

Revenue of Adyen contains scheme fees, interchange and mark-up for which Adyen acts as a principal. The Management Board monitors net revenue (net of interchange, scheme fees (costs incurred from financial institutions) and cost of inventory) as a performance indicator. As a result, Adyen considers net revenue to provide additional insight to its users to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates. Net revenue is a non-IFRS measure; reference is made to paragraph 1.2. for further explanation on the non-IFRS measures reported by Adyen.

Revenue recognized point in time and over time

All processing and settlement fees, together with the sales of goods are recognized as revenue when the services are rendered or the ownership of the goods is transferred ('goods and services transferred point in time'). In addition to the aforementioned revenues streams, Adyen provides other services to its merchants for which revenues are recognized over a period of time. To align the revenues with the related costs, part of Adyen's revenue is recognized when the services are rendered ('services transferred over time').

The breakdown of revenue from contracts with customers based on timing is as follows:

Timing of revenue recognition (in EUR '000)	H1 2020	H1 2019
Goods and services transferred at point in time	1,556,648	1,142,073
Services transferred over time	3,426	2,083
Total revenue from contracts with customers	1,560,074	1,144,156

1.1. Segment reporting

The following table summarizes Adyen's geographical breakdown of its revenue, based on the billing location as requested by the merchant for the periods indicated:

Revenue - Geographical breakdown (in EUR '000)	H1 2020	H1 2019
Europe	744,547	632,078
North America	591,584	333,786
Asia-Pacific	118,530	89,556
Latin America	102,497	86,275
Rest of the World	2,916	2,461
Total revenue from contracts with customers	1,560,074	1,144,156

1.2. Non-IFRS financial measures

Non-IFRS financial measures are disclosed in addition to the statement of comprehensive income, in order to provide relevant information to better understand underlying business performance of the company. Furthermore, Adyen has provided guidance on several of these non-IFRS measures. Adyen reports on the following additional financial measures that are directly derived from the statement of comprehensive income or statement of cash flows:

- **Net revenue:** Adyen management monitors Net revenue (Revenue net of interchange, scheme fees (Costs incurred from financial institutions) and cost of inventory) as a performance indicator.

The geographical breakdown of net revenue is as follows (based on the billing location as requested by the merchant for the periods indicated):

Net revenue - Geographical breakdown (in EUR '000)	H1 2020	H1 2019
Europe	175,379	144,589
North America	51,080	32,268
Asia-Pacific	26,691	20,896
Latin America	25,901	22,431
Rest of the World	891	912
Total net revenue from contracts with customers	279,942	221,096

For the six months ended June 30, 2020, net revenue was EUR 279.9 million, up 26.6% from 2019 (2019: EUR 221.1 million). The year-on-year growth in net revenues shows the following geographical spread across Europe (21.3%), North America (58.3%), Latin America (15.5%) and Asia-Pacific (27.7%).

- **EBITDA:** "Income before interest income, interest expense and income taxes" less "Amortization and depreciation" on the statement of comprehensive income;
- **EBITDA margin:** EBITDA as a percentage of Net revenue;
- **CapEx:** Capital expenditure consisting of the line items "Purchases of plant and equipment" and "Capitalization of intangible assets" on the consolidated statement of cash flows; and
- **Free cash flow:** EBITDA less CapEx and "Lease payments" on the consolidated statement of cash flows.

Selected non-IFRS financial measures (in EUR '000)	H1 2020	H1 2019
Income before interest income, interest expense and income taxes	127,394	115,490
Amortization and depreciation	13,463	10,338
EBITDA	140,857	125,828
Net revenue	279,942	221,096
EBITDA margin (%)	50.3%	56.9%
Purchases of plant and equipment	5,053	5,798
Capitalization of intangible assets	1,210	2,406
CapEx	6,263	8,204
EBITDA	140,857	125,828
CapEx	(6,263)	(8,204)
Lease payments	(5,267)	(5,199)
Free Cash Flow	129,327	112,425
Free Cash Flow	129,327	112,425
EBITDA	140,857	125,828
Free Cash Flow conversion ratio (%)	91.8%	89.3%

2. Employee benefits

2.1. Employee benefits

The regional breakdown of FTE per office as per June 30, 2020 and 2019 is as follows:

FTE per office	H1 2020	H1 2019
Amsterdam	823	570
San Francisco	155	108
Singapore	79	61
London	73	51
São Paulo	63	46
New York	51	32
Paris	38	26
Berlin	32	26
Other	134	67
Total	1,448	987

The employee benefits expense can be specified as follows:

Employee benefits (in EUR '000)	H1 2020	H1 2019
Salaries and wages	69,982	43,044
Share-based compensation	3,886	1,968
Total wages and salaries	73,868	45,012
Social securities	11,945	8,694
Pension costs - defined contribution plans	1,788	1,109
Total social securities and pension costs	13,733	9,803

2.2. Share-based payments

The share-based compensation expense can be specified as follows:

Share-based compensation (in EUR '000)	H1 2020	H1 2019
Equity-settled	359	1,322
Cash-settled	3,527	646
Total share-based compensation	3,886	1,968

Adyen considers its employees and culture as core to its growth. As part of the total remuneration package, Adyen has three types of share-based payments:

- I. Depositary receipts to directors and employees (granted until 2013);
- II. Equity settled option plan (granted until 2018);
- III. Cash-settled option plan (granted from 2018 onwards).

The nature, accounting policies and key parameters of the share-based payments plans are described in more detail in the 2019 consolidated financial statements.

3. Inventories

Inventory (in EUR '000)	H1 2020	H1 2019
Balance at January 1	7,020	7,864
Purchases during the year (products for resale)	16,014	8,286
Costs of goods sold	(9,024)	(8,005)
Expense (refer to Note 4 'Other operating expenses')	(342)	(270)
Balance at June 30	13,668	7,875

For the six months ended June 30, 2020 Adyen performed an impairment test on inventory and determined the Net Realizable Value of part of its inventory was lower than cost. Therefore, a write-off of EUR 342 (2019: EUR 270) was recognized under Miscellaneous operating expenses (as disclosed in Note 4 'Other operating expenses').

4. Other operating expenses

The other operating expenses can be specified as follows:

Other operating expenses (in EUR '000)	H1 2020	H1 2019
Sales & marketing costs	21,420	13,541
Travel and other staff expenses	4,702	9,032
Advisory costs	8,315	5,242
IT costs	6,576	4,670
Office costs	1,608	1,368
Housing costs	1,187	1,894
Miscellaneous operating expenses	7,786	4,705
Total other operating expenses	51,594	40,452

5. Other financial results

The other financial results can be broken down in the following categories:

Other financial results (in EUR '000)	H1 2020	H1 2019
Exchange gains/(losses)	(3,193)	1,580
Fair value re-measurement of financial instruments		
Derivative financial instrument	(24,900)	(9,500)
Financial instruments at Fair Value through Profit & Loss	851	9,820
Other	1,640	(196)
Total other financial results	(25,602)	1,704

The change in fair value of the Derivative financial instrument is mainly linked to the Adyen share price increase throughout the first six months for 2020, more information on the valuation is disclosed in Note 10 'Financial instruments'.

6. Income taxes

6.1. Income tax expense

The tax on Adyen's profit before tax differs from the amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. The effective tax rate of Adyen for the first six months ended June 30, 2020 is 20.99% (2019: 19.48%) which differs from the statutory tax rate in the Netherlands of 25% (2019: 25%) due to the application of the innovation box, tax rate differences on foreign operations and other adjustments (such as non-deductible expenses):

Effective tax calculation (in EUR '000)	H1 2020	H1 2019
Income before income taxes	99,168	114,902
Weighted average statutory tax rate (%)	25%	25%
Weighted average statutory tax amount	24,792	28,726
<i>Tax effects of:</i>		
Innovation box	(6,369)	(6,185)
Other adjustments (such as prior year and non-deductible amounts)	2,390	(153)
Effective tax amount	20,813	22,388

Current income tax (in EUR '000)	30/06/2020	31/12/2019
Current income tax assets	12,954	-
Current income tax liabilities	-	7,463

The outstanding balance of EUR 12,954 as per June 30, 2020, relates to Income tax paid upfront during the first half of the year, mostly in the Netherlands, which will be offset with the final Corporate Income tax for the 2020 fiscal year.

6.2. Deferred taxes

Changes in tax rate

During the first six months of 2020 there were no changes in statutory tax rates in the relevant jurisdictions where Adyen operates, hence no remeasurement on deferred taxes took place.

I. Deferred tax assets

In the deferred tax assets an amount of EUR 46,093 (as per December 31, 2019: EUR 29,163) recognized relates to net operating losses carried forward and a further EUR 13,172 (as per December 31, 2019: EUR 7,769) of the deferred tax assets relates to the recognized derivative liability.

As disclosed in the financial statements for the year ended December 31, 2019, throughout the year Adyen has proceeded with its assessment regarding the recognition of deferred tax asset on windfall benefits linked to the share-based compensation plan in the United States. The conclusion led to the recognition of deferred tax assets to be realized with future profits, on a going concern basis, as carry forward losses have no expiration date. For the exercised options, the balance as per June 30, 2020 is EUR 45,451 (December 31, 2019: EUR 28,380), this includes the impact of options exercised in 2020 and in previous years. For the future tax deductions, related to options granted, vested however not exercised yet, the balance as per June 30, 2020 was EUR 37,059 (December 31, 2019: EUR 31,739), this portion relates only to Federal tax deductions. An amount of EUR 10,588 (December 31, 2019: EUR 8,056) relates to deferred State taxes that were not recognized as of June 30, 2020, due to its finite carrying period.

In addition to the deferred tax asset in the United States, Adyen recognized a deferred tax asset in the United Kingdom of EUR 2,167 (2019: EUR 1,711).

The full deferred tax asset related to future tax deductions and carry forward losses was recognized directly in equity in amount of EUR 84,316 (December 31 2019: EUR 60,119).

II. Deferred tax liability

The deferred tax liability consists mainly of the deferred tax on the Visa Inc. preferred stock of EUR 10,277 (2019: EUR 9,567) and the non-monetary part of the contract asset EUR 16,179 (2019: EUR 16,319).

The deferred taxes have a maturity date of more than 12 months and are presented as non-current on the Adyen balance sheet.

Tax expense (in EUR '000)	H1 2020	H1 2019
Current income tax expense	26,050	23,738
Deferred income tax expense	(5,237)	(1,350)
Total tax expense	20,813	22,388

Capital management and financial instruments

7. Capital management

Adyen's objective when managing capital is to safeguard its ability to continue as a going concern. Furthermore, Adyen ensures that it meets regulatory capital requirements at all times.

Capital management (in EUR '000)	30/06/2020	31/12/2019
Share capital	303	301
Share premium	189,166	179,296
Total	189,469	179,597

During the six months ended June 30, 2020, 191,458 additional shares were issued as a result of exercised employee options. The number of outstanding ordinary shares as of June 30, 2020 is 30,252,405 (as of December 31, 2019: 30,060,947) (absolute nominal value EUR 0.01 per share). The total number of authorized shares as of June 30, 2020 is 80,000,000 (as of December 31, 2019: 80,000,000).

The total of distributable reserves amounts to EUR 748,412 (2019: EUR 535,052). The other reserves are restricted for distribution, being the Legal reserves, in amount of EUR 42,963 (2019: 43,616), which are legally non-distributable in accordance with Dutch Law.

Earnings are added to retained earnings reserve and the current dividend policy is to not pay dividends, as retained earnings are used to support and finance the growth strategy.

Treasury shares

Following its IPO, Adyen has provided its employees the opportunity to partially monetize their vested options. During the first six months of 2020, Adyen has not performed any repurchase transactions. For the first half of 2019, a total number of 27,181 depositary receipts for a total amount of EUR 18,323 were repurchased.

As per June 30, 2020 and December 31, 2019, all Treasury Shares have been sold back to the market.

8. Cash and cash equivalents

As per June 30, 2020 EUR 1,245,421 (December 31, 2019: EUR 1,005,265) represents cash held at central banks.

9. CRR/CRD IV regulatory capital

The following table show the calculation of regulatory capital as per June 30, 2020. The regulatory capital is based on the CRR/CRD IV scope of consolidation, which is the same as the IFRS scope of consolidation.

Own funds (in EUR '000)	30/06/2020	31/12/2019
EU-IFRS equity as reported in consolidated balance sheet	976,972	868,321
Net profit not included in CET1 capital (not yet eligible)	(78,355)	(204,039)
<i>Regulatory adjustments:</i>		
Warrant reserve	(53,401)	(53,401)
Intangible assets	(7,776)	(7,640)
Deferred tax asset that rely on future profitability	(84,316)	(61,725)
Prudent valuation	(106)	(80)
Total own funds	753,018	541,436

10. Financial instruments

Financial assets impairment

During the period Adyen added EUR 2,920 (during the first six months of 2019: EUR 648) to its accounts receivable provision based on the calculations from its IFRS 9 expected credit loss model for Accounts Receivables. Adyen did not recognize any other impairments on financial instruments during the six months ended June 30, 2020 (during the six months ended June 30, 2019: nil), nor reversed any impairment losses.

Other financial assets at amortized cost (government bonds; hold to collect)

Adyen has the intent and ability to hold the bonds to maturity and Adyen, therefore, applies a hold-to-collect business model. The fair value (level 1) of these debt instruments at amortized cost approximates the carrying value due to the short-term nature of the instruments.

Other financial assets at Fair Value Through Profit and Loss (Visa Inc. preferred shares)

Adyen has recognized and classified the convertible preferred Visa Inc. shares within the FVPL category. The fair value of the level 2 preferred stock in Visa Inc. is based on the fair value of Visa Inc. common stock multiplied by an initial conversion rate of preferred stock into common stock. The conversion rate of the preferred stock into an equivalent number of common stocks may fluctuate in the future. The Visa Inc. shares carry the right to receive discretionary dividend payments presented as Other Income in the income statement (in the first six months of 2020 and 2019: nil).

Contract assets

The carrying value of the contract asset as at June 30, 2020 is EUR 137,581 (as at December 31, 2019: EUR 140,000). The movement in the contract asset contains a foreign currency exchange loss of EUR 50 for the first six months of 2020 (gain for the first six months of 2019: EUR 426) included in Note 5 'Other financial results'. The remainder of the movement relates to the amortization of the contract asset, in amount of EUR 2,369. The monetary part of the contract asset is in scope of impairment under IFRS 9. However, due to low credit risk, the expected credit loss on the contract asset is not significant.

Derivative liability

As part of the merchant contract previously mentioned, Adyen recognized a derivative liability measured at fair value through profit and loss, classified as a Level 2 fair value instrument.

The first two tranches of the derivative liability resulting from a merchant contract are classified as warrant reserve in equity in the amount of EUR 53,410 (net of EUR 14,799 deferred tax assets) since the IPO. The remaining derivative liability balance as per is EUR 60,700 (December 31, 2019: EUR 35,800). The derivative liability valuation takes into consideration Adyen share price and management estimates, in line with the fulfilment of the of the payment services to be provided to the merchant, Reference is made to Note 5 'Other financial results'.

Adyen carried out a sensitivity analysis of the derivative financial liability, and a 5% increase or decrease in the underlying Adyen share price would result in an increase or decrease of approximately EUR 2.5 million of the value of the derivative liability, all other circumstances considered to be equal.

Other disclosures

11. Plant and equipment

Purchases in plant and equipment for the six months ended June 30, 2020 amounted to EUR 5,053 (during the first six months of 2019: EUR 5,798) and disposals amounted to EUR 38 during the period then ended (during the first six months of 2019: nil). Adyen did not recognize a loss from impairment on either plant or equipment during the six months ended June 30, 2020 (during the first six months of 2019: nil), nor did Adyen reverse any impairment losses.

Plant and equipment (in EUR '000)	H1 2020	H1 2019
<i>Machinery and equipment</i>		
Cost	55,587	40,414
Accumulated depreciation	(25,368)	(16,493)
Balance - January 1	30,219	23,921
Additions	5,053	5,798
Disposals	(38)	-
Depreciation for the period	(5,340)	(4,165)
Other movements (e.g. exchange differences)	(240)	63
Balance - June 30	29,654	25,617
Cost	59,599	46,281
Accumulated depreciation	(29,945)	(20,664)
Balance - June 30	29,654	25,617

12. Leases

Adyen's leases relate to offices and data centres across locations where it operates. During the first six months of 2020, due to its rapid growth Adyen has signed a new contract for a second office location in the city of Amsterdam.

The new building, which is located in the city centre of Amsterdam, had its contract initiated on April 15, 2020, with a 15-year non-cancellable term and no extension period considered on initial recognition. Payments will take place on a monthly basis, starting February 2022, therefore the total lease liability outstanding is disclosed as non-current.

Right-of-use assets (in EUR '000)	H1 2020	H1 2019
<i>Offices and data centers</i>		
Initial recognition	70,849	62,625
Accumulated depreciation	(11,154)	-
Balance, January 1	59,695	62,625
Additions	76,541	-
Depreciation for the period	(7,048)	(5,160)
Other movements (e.g. exchange differences)	(298)	(13)
Balance - June 30	128,890	57,452
Recognized right-of-use asset	146,948	62,625
Accumulated depreciation	(18,058)	(5,173)
Balance - June 30	128,890	57,452

Lease liability (in EUR '000)	H1 2020	H1 2019
Balance, January 1	71,337	62,625
Additions	76,541	-
Lease payments	(6,143)	(5,760)
Interest expense	876	561
Other movements (e.g. exchange differences)	(270)	1,122
Balance - June 30	142,341	58,548

13. Share information

Adyen presents basic and diluted earnings per share (EPS) data for its ordinary shares. The calculation of earnings per share is as follows:

- 1) Basic EPS; dividing the net profit (or loss) attributable to shareholders by the weighted average number of outstanding ordinary shares outstanding during the period.
- 2) Diluted EPS: determined by adjusting the basic EPS for the effects of all dilutive potential ordinary shares, which in the case of Adyen only relates to share options.

Share information	H1 2020	H1 2019
Net income attributable to ordinary shareholders (in EUR '000)	78,355	92,514
Weighted average number of ordinary shares	30,216,468	29,596,056
Dilutive effect share options	465,484	1,056,675
Weighted average number of ordinary shares for diluted net profit for the period	30,681,952	30,652,731
1) Net profit per share - Basic	2.59	3.13
2) Net profit per share - Diluted	2.55	3.02

14. New standards adopted by Adyen

Adyen has adopted the following accounting standards, interpretations and amendments issued and made effective from January 1, 2020:

- Amendments to IFRS 3, 'Business combinations', – Definition of a business;
- Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' – Definition of material;
- Amendments to IFRS 9, IAS 39 and IFRS 17: – Interest rate benchmark reform.

Adyen has taken into consideration the changes of each one of the above-mentioned amendments, and concluded that the amendments do not have a material impact on the financial statements.

15. Related party transactions

During the first six months of 2020 Adyen identified related party transactions that took place with Stichting Administratiekantoor Adyen (STAK), employees and Supervisory Directors. The transactions with employees and STAK are related to option exercises, and the transactions with Supervisory Board are related to services rendered throughout the year. The respective outstanding balances as per June 30, 2020 and December 31, 2019 are:

Related party transactions (in EUR '000)	H1 2020	H1 2019
Supervisory Board	-	(97)
Employees (STAK)	4,469	18

There were no other transactions with related parties during the period ended June 30, 2020 (2019: nil)

16. Contingencies and commitments

Adyen has no contingent liabilities in respect to legal claims.

Adyen N.V. and Adyen International B.V. are a fiscal unity for income tax purposes. Under the Dutch Tax Collection Act, the members of the fiscal unity are jointly and severally liable for any taxes payable by the fiscal unity.

In the U.S., Adyen holds licenses to operate as a money transmitter (or its equivalent), which, among other things, subjects Adyen to reporting requirements, bonding requirements, limitations on the investment of customer funds and inspection by state regulatory agencies.

Adyen has EUR 32,046 (as per December 31, 2019: EUR 23,892) of outstanding bank guarantees and letters of credit as per June 30, 2020. In addition, Adyen has an intra-day credit facility of EUR 299 million (as per December 31, 2019: EUR 274 million) which is not used as per June 30, 2020.

Adyen has setup a collateral account in which Brazilian Government bonds were deposited by a partner financial institution, in order to decrease its exposure to this counterparty in Brazil. As per June 30, 2020 the total collateral was EUR 38,600 or BRL 237,007 (December 31, 2019 EUR 51,685 or BRL 233,486).

17. Events after the balance sheet date

There are no events after the reporting period.

18. Other information

The Interim Condensed Consolidated Financial Statements of Adyen N.V. for the six months ended June 30, 2020 have been prepared in accordance with IAS 34 – *Interim Financial Reporting*.

The Interim Condensed Consolidated Financial Statements are unaudited.

Amsterdam, August 20, 2020

Sincerely,



Pieter van der Does
CEO



Ingo Uytdehaage
CFO

Statement by the Management Board

As is required by section 5.25d of the Dutch Financial Supervision Act (Wet op het financieel toezicht) we state that according to the best of our knowledge:

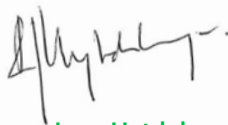
1. The interim consolidated financial statements present a true and fair view of the consolidated assets, liabilities, financial position and the profit or loss of Adyen N.V.; and
2. The interim consolidated financial statements provide a true and fair view of the information required pursuant to article 5.25d paragraph 8 and 9 of the Dutch Financial Supervision Act (Wet op het financieel toezicht).

Amsterdam, August 20, 2020

Sincerely,



Pieter van der Does
CEO



Ingo Uytdehaage
CFO



Review report

To: the management board and supervisory board of Adyen N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information for the six-month period ended 30 June 2020 of Adyen N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2020, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the period then ended and the selected explanatory notes. The management board is responsible for the preparation and presentation of this (condensed) 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 auditing standards 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 for the six-month period ended 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 20 August 2020
PricewaterhouseCoopers Accountants N.V.

Originally signed by R.E.H.M. van Adrichem

R.E.H.M. van Adrichem RA

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