Intertrust posts 4.8% underlying revenue growth in Q2 2021 and commits expense to strengthen compliance framework

Amsterdam, the Netherlands – 29 July 2021 – 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 2021.

Q2 2021 Highlights

- Underlying revenue up 4.8% year-on-year to EUR 143.4 million, primarily driven by a strong performance in Funds
- Healthy pipeline due to greater ability to cross sell between service lines, upsell to existing customers as well as larger order ticket sizes
- Adjusted EBITA of EUR 39.9 million (Q2 2020: EUR 44.4 million) including one-off costs of EUR 6.4 million, mainly related to the CIMA fine and other legal and compliance costs
- Adjusted EBITA margin of 27.8% (Q2 2020: 31.9%) reflecting one-off costs and business mix impact. Normalised margin excluding one-off costs is 32.3%
- Migration plan to Centre of Excellence on track - achieved EUR 14.9 million annualised run rate savings at the end of June 2021
- Leverage ratio of 3.68x at the end of June 2021
- Significant step up in one-off compliance activities to remediate historical files, leading to an estimated EUR 10 million additional cost in H2
- Adjustment to EBITA margin guidance for 2021 to between 31% and 32% to take into account the one-off costs of EUR 6.4 million in Q2 and estimated additional EUR 10 million for H2.

Shankar Iyer, CEO of Intertrust, commented:

"I am pleased with our 4.8% underlying revenue growth in Q2. The revenue growth is driven primarily by a strong performance in Funds, Corporates and Capital Markets. Our investment in building a stronger commercial operation is starting to pay off, with greater customer penetration and more upsell opportunities with existing clients and cross-selling between our service lines. We see encouraging trends and a healthy pipeline and we expect this improvement to continue through the second half of the year.

However, our Q2 margin development was impacted by one-off costs of EUR 6.4 million, primarily related to the CIMA fine and other legal and compliance costs. Based on recent developments we have decided to accelerate expenses to strengthen our compliance framework across the markets we operate in. To clean up historical files, we will execute further remediation activities in 2021 and 2022 which will also allow us to offer best practice service to our customers. Taking into account the one-off costs for Q2 as well as the second half of the year, our underlying EBITA margin guidance is expected to be between 31% and 32% for 2021.

We are on track with the migration plan to the Centre of Excellence and our goal of achieving the target of 90% of EUR 20 million net run rate savings by the end of the year is in sight. In summary our focus on driving revenue is already yielding good benefits, and we are investing in future-proofing our organisation to deal with increasing regulation whilst deleveraging our balance sheet."

Intertrust Group Q2 2021 figures

	As reported			Adjusted[1]			
	Q2 2021	Q2 2020	% Change	Q2 2021	Q2 2020	% Change	Underlying % change[2]
Revenue (€m)	143.4	139.5	2.8%	143.4	139.5	2.8%	4.8%
EBITA (€m)	36.1	40.0	-9.8%	39.9	44.4	-10.3%	-7.9%
EBITA Margin	25.1%	28.7%	-351bps	27.8%	31.9%	-406bps	-382bps
Net Income (€m)	8.2	(8.5)	n/m	27.3	31.9	-14.3%	
Earnings per share (€)[3]	0.09	(0.10)	n/m	0.30	0.35	-14.6%	
Cash flow from operating activities (€m)	28.0	35.3	-20.9%				

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 2021: 90,539,765 shares; average for Q2 2020: 90,202,371 shares

Intertrust Group H1 2021 figures

	As reported			Adjusted[1]			
	H1 2021	H1 2020	% Change	H1 2021	H1 2020	% Change	Underlying % change[2]
Revenue (€m)	283.7	281.6	0.8%	283.7	281.6	0.8%	3.1%
EBITA (€m)	74.7	81.6	-8.5%	85.2	91.0	-6.4%	-3.4%
EBITA Margin	26.3%	29.0%	-265bps	30.0%	32.3%	-229bps	-202bps
Net Income (€m)	31.8	(10.7)	n/m	59.9	63.5	-5.7%	
Earnings per share (€)[3]	0.35	(0.12)	n/m	0.66	0.70	-5.9%	
Cash flow from operating activities (€m)	66.6	104.1	-36.0%				

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 2021: 90,369,835 shares; average for H1 2020: 90,128,939 shares.

Financial review

Revenue

Reported revenue increased by 2.8% to EUR 143.4 million in Q2 2021, including a negative FX impact of 2.0% that mainly relates to the US dollar. Underlying revenue increased by 4.8% year-on-year to EUR 143.4 million in Q2 2021. More than half of the jurisdictions were showing double-digit growth in the quarter.

Overall, underlying revenue grew by 3.1% to EUR 283.7 million in the first half of 2021.

Revenue per service line

(EUR million)	Q2 2021	Q2 2020	% Change	Underlying % change[1]	H1 2021	H1 2020	% Change	Underlying % change[1]
Corporates	46.8	45.6	2.7%	3.5%	93.7	93.5	0.2%	1.3%
Funds	64.5	61.8	4.4%	7.7%	125.7	123.8	1.5%	5.1%
Capital Markets	17.2	17.0	1.4%	2.2%	34.2	32.2	6.2%	7.6%
Private Wealth	14.2	14.4	-1.6%	-0.2%	28.3	30.1	-5.8%	-3.6%
Other	0.6	0.6	-4.3%	-3.5%	1.7	1.9	-7.5%	-4.6%
Total Group revenue	**143.4**	**139.5**	**2.8%**	**4.8%**	**283.7**	**281.6**	**0.8%**	**3.1%**

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

Corporates continued to benefit from new business inflow supported by a higher number of SPACs in our portfolio resulting in an underlying revenue growth of 3.5% in Q2 2021. This was predominantly driven by sustained activity in Rest of the World and in selected Western Europe jurisdictions. Business performance in Luxembourg was still impacted by reduced transactional activity, similar to Q1.

Within the Funds business, underlying revenue grew well above the Group's average in Q2 2021, driven by a constant business inflow from new and existing clients in Fund administration, which continued to report double-digit growth. There were encouraging trends in Fund SPV Services, despite lower activity in the Netherlands. As a whole, underlying revenue in Funds grew by 7.7% year-on-year in Q2 2021.

In Capital Markets, Q2 2021 underlying revenue grew 2.2% year-on-year, as we continued to capitalise on positive market trends, with greater demand for liquidity and a push into the loan administration sector.

In Private Wealth underlying revenue declined by -0.2% year-on-year in Q2 2021 and is improving to a stable level.

Adjusted EBITA and adjusted EBITA margin

Q2 2021 adjusted EBITA was EUR 39.9 million, resulting in a 27.8% adjusted EBITA margin. The Q2 2021 EBITA included an impact of EUR 6.4 million in one-off costs, covering costs associated with the CIMA case, improvements in the compliance framework and other legal costs. Additionally, changes in the business mix also weighed on margins but were largely offset by the positive impact of the Centre of Excellence savings in Q2 2021. As a result, H1 2021 adjusted EBITA including the Q2 one-off cost amounted to EUR 85.2 million and H1 2021 adjusted EBITA margin was 30.0%.

Compliance framework

On 13 May 2021, the Cayman Islands Monetary Authority (CIMA) issued a formal notice of an administrative fine to Intertrust Corporate Services (Cayman) Limited, a subsidiary of Intertrust N.V. The fine amounted to 4.2 million KYD (approx. EUR 4.3 million) and arose from alleged breaches of specific statutory obligations under the Cayman Islands Anti-Money Laundering (AML) regime. Intertrust lodged an application to seek a judicial review of the penalty notice, the outcome of which is pending. Intertrust's Q2 2021 EBITA includes one-off costs linked to this fine as well as other legal and compliance costs in other jurisdictions.

Based on recent developments in inspections and the increasingly complex and regulated environment in which Intertrust operates, we have decided to accelerate expense to strengthen our compliance framework across the markets we cover. In addition to the one-off costs related to the CIMA fine and other legal and compliance costs incurred in Q2 2021, we will implement further remediation activities in 2021 and 2022. For H2 2021 we estimate the impact to be a one-off cost of around EUR 10 million. The one-off cost primarily includes third party consultants that have been engaged to provide expert advice and support to Intertrust colleagues. This process will accelerate remediation activity and enhance service provision through the application of market-leading practice. The one-off remediation activities will be finalised by the end of 2022.

Centre of Excellence (CoE)

The migration activities are on track. Currently Luxembourg activities are being migrated and the benefit of the migration of Luxembourg will be visible in the second half of the year. At the end of Q2 2021, we have completed the hiring of the Centre of Excellence headcount. The net positive run rate savings were EUR 14.9 million, and Intertrust is on track to achieve its goal of 90% of EUR 20 million net run rate savings by the end of this year.

Financing and tax expenses

The net financial result was EUR (13.5) million in Q2 2021 and consists of the following items:

(EUR million)	Q2 2021	Q2 2020	H1 2021	H1 2020
Net interest cost	(8.8)	(9.4)	(17.5)	(20.0)
Fair value adjustment of the early redemption option	(4.7)	2.4	8.5	(20.1)
Other	0.0	(1.7)	(0.4)	(0.8)
Net financial result	**(13.5)**	**(8.7)**	**(9.4)**	**(41.0)**

The price of the senior notes remained relatively stable during the quarter and amounted to 102.3 at the end of June 2021. A negative and non-cash fair value adjustment of the early redemption option of EUR 4.7 million was reported in Q2 2021, as opposed to a EUR 2.4 million non-cash positive adjustment in Q2 2020.

Income tax represented a EUR 2.2 million expense in Q2 2021, compared with a EUR 3.3 million expense in Q2 2020. The change compared to Q2 2020 was primarily the result of the non-cash impact of the revaluation of the early redemption option of the senior notes on profit before income tax. The effective tax rate in Q2 2021 was 21.3%. The normalised effective tax rate excluding the impact of the revaluation of the early redemption option was 22.5% for Q2 2021, which was slightly higher than expected due to an adverse mix impact from one-off costs incurred in lower tax jurisdictions.

Earnings per share (EPS)

Q2 2021 adjusted EPS was EUR 0.30 (Q2 2020: EUR 0.35). The average number of outstanding shares in Q2 2021 was 90,539,765 (Q2 2020: 90,202,371).

Key performance indicators (KPIs)

	Q2 2021	Q2 2020	H1 2021	H1 2020
FTE (end of period)	4,037	3,833	4,037	3,833
Revenue / Billable FTE (€k, LTM)[1]	182.8	208.3	182.8	208.3
Billable FTE / Total FTE (as %, end of period)	76.1%	78.0%	76.1%	78.0%
HQ & IT costs (as % of revenue)	14.1%	15.0%	13.9%	15.1%
Working capital / LTM Revenue (as %)	1.5%	-5.4%	1.5%	-5.4%

[1] Billable FTE and revenue is calculated based on LTM average, revenue is not corrected for currency impact, 2021 and 2020 ratios include proforma figures for acquisition(s) if applicable

At the end of Q2 2021, the number of FTEs was 4,037 and the revenue per billable FTE amounted to EUR 182.8 thousand. The temporary additional resources hired for the execution of the migration plan as well as the change in business mix are reflected in the higher headcount and lower Revenue / Billable FTE ratio.

Group HQ & IT costs

(EUR million)	Q2 2021	Q2 2020	H1 2021	H1 2020
Group HQ costs	(8.1)	(8.5)	(15.1)	(17.8)
Group IT costs	(12.1)	(12.5)	(24.5)	(24.7)
Total Group HQ & IT costs	**(20.2)**	**(20.9)**	**(39.6)**	**(42.5)**

In Q2 2021 total Group HQ & IT costs amounted to EUR (20.2) million, slightly less compared to the same quarter last year and within 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 expenses remained relatively stable around EUR 12 - 12.5 million per quarter by continuously looking for savings potential while investing in the Company's IT roadmap.

Capital employed

(EUR million)	30.06.2021	31.12.2020	30.06.2020
Acquisition-related intangible assets	1,599.5	1,591.8	1,665.7
Other intangible assets	23.5	22.2	20.9
Property, plant and equipment	85.3	92.1	97.2
Total working capital	8.5	(10.4)	(31.1)
Other assets	41.1	31.5	24.9
Total Capital employed (Operational)	**1,757.9**	**1,727.3**	**1,777.6**
Total equity	817.6	760.3	746.8
Net debt	768.6	792.7	847.7
Provisions, deferred taxes and other liabilities	171.8	174.3	183.1
Total Capital employed (Finance)	**1,757.9**	**1,727.3**	**1,777.6**

Cash flow, working capital and net debt

Net cash flow from operating activities was EUR 28.0 million in Q2 2021 compared to EUR 35.3 million in Q2 2020. The cash flow was mostly impacted by higher Income tax paid. Total working capital was EUR 39.6 million higher compared to the end of Q2 2020 and amounted to EUR 8.5 million positive at the end of June 2021. The year-on-year increase versus June 2020 relates to EUR 10.7 million lower tax payables due to the settlement of taxes relating to previous years and a temporary lag in billing. The lag in billing led to higher WIP and higher receivables at the end of Q2 2021, and was mainly related to the implementation of our new ERP system. This is expected to recover over the course of this year.

(EUR million)	30.06.2021	31.12.2020	30.06.2020
Operating working capital	34.8	18.0	5.8
Net current tax	(26.2)	(28.4)	(36.9)
Total working capital	**8.5**	**(10.4)**	**(31.1)**

Total liquidity amounted to more than EUR 250 million at the end of June 2021. Capex in the quarter came in at 2.2% of revenue. As of 31 June 2021, net debt totaled EUR 768.6 million, which was EUR 24.1 million lower than at the end of December 2020. The leverage ratio decreased to 3.68x from 3.83x on 31 December 2020 leaving us with a 18.2% headroom versus the bank covenant of 4.50x.

Performance in key jurisdictions

Western Europe

40% of H1 2021 Group revenue

	Q2 2021	Q2 2020	% Change	Underlying % change[1]	H1 2021	H1 2020	% Change	Underlying % change[1]
Revenue (€m)	57.0	57.5	-0.8%	-0.7%	112.9	115.5	-2.2%	-2.2%
Adjusted EBITA (€m)	25.0	28.7	-12.7%	-12.8%	52.3	57.7	-9.3%	-9.3%
Adjusted EBITA Margin	43.9%	49.9%	-595bps	-609bps	46.3%	49.9%	-360bps	-362bps

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

Underlying revenue in Western Europe continued to decline because of the trends outlined earlier in the year, such as lower productivity linked to Centre of Excellence migration efforts and reduced transactional activity in connection with Covid-19, in particular for Corporates and Private Wealth. In the Netherlands, underlying revenue was down 3.2% in Q2 2021. In Luxembourg, where the Centre of Excellence migration process started in Q1 2021, revenue in Q2 2021 was stable as a result of the growth in the Funds business but offset by lower transactional levels in Corporates. Several changes have been implemented in Luxembourg to improve overall processes and sales inflow, with a positive impact expected in H2 2021. For Q2 2021 as a whole, Western Europe posted underlying revenue of EUR 57.0 million or a -0.7% year-on-year decrease.

Adjusted EBITA for the region amounted to EUR 25.0 million in Q2 2021 (Q2 2020: EUR 28.7 million). The resulting adjusted EBITA margin was 43.9% in Q2 2021, down -609bps year-on-year reflecting higher costs related to increased regulatory requirements and reduced productivity due to migration activities.

Rest of the World (ROW)

37% of H1 2021 Group revenue

	Q2 2021	Q2 2020	% Change	Underlying % change[1]	H1 2021	H1 2020	% Change	Underlying % change[1]
Revenue (€m)	53.3	48.5	9.8%	9.4%	104.4	98.3	6.3%	7.0%
Adjusted EBITA (€m)	21.6	18.6	16.2%	14.6%	41.7	40.3	3.6%	4.2%
Adjusted EBITA Margin	40.6%	38.4%	223bps	182bps	40.0%	41.0%	-101bps	-109bps

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

Underlying revenue in Rest of the World continued to increase strongly in Q2 2021. Q2 2021 revenue amounted to EUR 53.3 million, an underlying increase of 9.4% against Q2 2020. Growth was driven by a double-digit increase in Fund Services in Asia Pacific, double-digit growth in Corporate Services in the Nordics and the UK and supported by high single-digit growth in Executive Compensation Services in Jersey. In June, Intertrust expanded into Greece, setting up an office to offer Corporate, Fund and Capital Market Services for existing and new clients.

Q2 2021 adjusted EBITA amounted to EUR 21.6 million compared to EUR 18.6 million in Q2 2020 showing an underlying increase of 14.6%, outperforming revenue growth. The adjusted EBITA margin for Q2 2021 was 40.6% compared to 38.4% last year.

Americas

23% of H1 2021 Group revenue

	Q2 2021	Q2 2020	% Change	Underlying % change[1]	H1 2021	H1 2020	% Change	Underlying % change[1]
Revenue (€m)	33.1	33.4	-1.0%	7.8%	66.4	67.8	-2.1%	6.9%
Adjusted EBITA (€m)	13.4	18.1	-26.2%	-18.7%	30.7	35.5	-13.7%	-5.3%
Adjusted EBITA Margin	40.3%	54.1%	-1374bps	-1316bps	46.2%	52.4%	-619bps	-594bps

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

Underlying revenue in the Americas region was up 7.8% in Q2 2021 compared to the same period in the previous year. This was primarily driven by Fund Administration, a return to growth in Fund SPV Services and higher compliance-related revenue in the Cayman Islands. Growth was strong across Corporates and Funds.

Adjusted EBITA for the region was EUR 13.4 million in Q2 2021 compared to EUR 18.1 million last year, an underlying decline of -18.7%, on the back of the impact of the costs and provisions that were recognised as a result of the CIMA fine.

Guidance

Despite the challenging market environment, we see encouraging trends and a healthy pipeline. We reiterate our guidance that underlying revenue is expected to increase 2% to 4% in 2021. Taking into account the one-off costs and further remediation expenses in the second half of 2021, our adjusted EBITA margin guidance is expected to be between 31% and 32% in 2021 compared to 34% and 35% previously. The remediation expenses are estimated to be around EUR 10 million for H2 2021 on top of the EUR 6.4 million one-off costs in Q2 2021.
The Group's commitment to reduce its leverage ratio below 3.4x by the end of 2021 remains unchanged.

Our medium-term objectives remain unchanged with revenue growth between 4% and 6% and adjusted EBITA growth outpacing revenue growth as the benefits of the integration come through. We remain committed to sustaining capex at around 3% of revenue whilst we consider a leverage ratio of around 3.0x to be adequate for our business in the medium-term.

Additional information

Financial calendar

Date	Event
21 October 2021	Publication Q3/9M 2021 trading update
23 November 2021	Capital Markets Day (CMD)
10 February 2022	Publication Q4/FY 2021 results
29 April 2022	Publication Q1 2022 trading update
28 July 2022	Publication Q2/HY 2022 results
27 October 2022	Publication Q3 2022 trading update

Analyst call / webcast

Today, Intertrust's CEO Shankar Iyer 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:

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About Intertrust Group

At Intertrust Group (Euronext: INTER; 'the Company") our 4,000 employees are dedicated to providing world-leading, specialised administration services to clients in over 30 jurisdictions. This is amplified by the support we offer across our approved partner network which covers a further 100+ jurisdictions. Our focus on bespoke corporate, fund, capital market and private wealth services enables our clients to invest, grow and thrive anywhere in the world. Sitting at the heart of international business, our local, expert knowledge and innovative, proprietary technology combine to deliver a compelling proposition – all of which keeps our clients one step ahead.

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 2021	Q2 2020	H1 2021	H1 2020
Profit/(loss) from operating activities	**23.8**	**3.5**	**50.4**	**32.6**
Amortisation of acquisition-related intangible assets and impairment of goodwill	12.2	36.5	24.3	49.0
Specific items - Integration and transformation costs	3.1	2.9	8.0	5.6
Specific items - Transaction and other costs	0.7	1.6	2.5	3.7
Adjusted EBITA	**39.9**	**44.4**	**85.2**	**91.0**

Adjusted EBITA is defined as EBITA before specific items. 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 2021	Q2 2020	H1 2021	H1 2020
Adjusted EBITA	**39.9**	**44.4**	**85.2**	**91.0**
Net finance costs (adjusted) - excluding net foreign exchange loss and other adjusting items[1]	(9.2)	(9.8)	(18.2)	(20.7)
Income tax (adjusted)	(3.4)	(2.8)	(7.1)	(6.7)
Adjusted Net income	**27.3**	**31.9**	**59.9**	**63.5**

[1] Foreign exchange gain/(loss) for Q2 2021 was EUR 325k, H1 2021 was EUR 220k; Q2 2020 was (EUR 1.329k), H1 2020 was (EUR 327k)

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 2021		H1 2020		Change	
Profit before income tax		**41.0**		**(8.3)**		**49.3**
Income tax using the Company's domestic tax rate	25.0%	**(10.3)**	25.0%	**2.1**		**(12.3)**
Effect of tax rates in foreign jurisdictions		1.0		2.6		(1.7)
Effect of non-taxable and deferred items		0.2		(7.2)		7.4
Income tax	22.4%	**(9.2)**	-28.0%	**(2.3)**		**(6.9)**
Of which:						
Current tax expense	28.4%	**(11.6)**	-135.5%	**(11.3)**		**(0.4)**
Deferred tax (expense)/ income	-6.0%	**2.4**	107.5%	**9.0**		**(6.5)**

Specification of the impact of Adjusted items

(EUR million)	Q2 2021		
	As reported	Adjustments	Adjusted
Revenue	**143.4**	-	**143.4**
Staff expenses	(74.3)	(2.1)	(72.2)
Rental expenses	(2.2)	-	(2.2)
Other operating expenses	(23.2)	(1.7)	(21.5)
Other operating income	0.1	(0.0)	0.1
Depreciation and amortisation of other intangible assets	(7.7)	-	(7.7)
Amortisation of acquisition-related intangible assets and impairment of goodwill	(12.2)	(12.2)	-
Profit/(loss) from operating activities	**23.8**	**(16.0)**	**39.9**
Financial income	(4.0)	(4.6)	0.6
Financial expense	(9.5)	0.3	(9.8)
Financial result	**(13.5)**	**(4.3)**	**(9.2)**
Profit/(loss) before income tax	**10.4**	**(20.3)**	**30.7**
Income tax	(2.2)	1.2	(3.4)
Profit/(loss) after tax	**8.2**	**(19.2)**	**27.3**
Profit/(loss) for the year after tax attributable to:			
Owners of the Company	8.1	(19.2)	27.3
Non-controlling interests	0.0	-	0.0
Profit/(loss)	**8.2**	**(19.2)**	**27.3**
Basic earnings per share (EUR)	0.09		0.30
Diluted earnings per share (EUR)	0.09		0.30

(EUR million)	H1 2021		
	As reported	Adjustments	Adjusted
Revenue	**283.7**	-	**283.7**
Staff expenses	(145.3)	(5.3)	(140.0)
Rental expenses	(4.3)	-	(4.3)
Other operating expenses	(44.4)	(5.3)	(39.1)
Other operating income	0.3	0.2	0.1
Depreciation and amortisation of other intangible assets	(15.2)	-	(15.2)
Amortisation of acquisition-related intangible assets and impairment of goodwill	(24.3)	(24.3)	-
Profit/(loss) from operating activities	**50.4**	**(34.8)**	**85.2**
Financial income	9.5	8.6	1.0
Financial expense	(18.9)	0.2	(19.1)
Financial result	**(9.4)**	**8.8**	**(18.2)**
Profit/(loss) before income tax	**41.0**	**(26.0)**	**67.0**
Income tax	(9.2)	(2.1)	(7.1)
Profit/(loss) after tax	**31.8**	**(28.1)**	**59.9**
Profit/(loss) for the year after tax attributable to:			
Owners of the Company	31.8	(28.1)	59.9
Non-controlling interests	0.0	-	0.0
Profit/(loss)	**31.8**	**(28.1)**	**59.9**
Basic earnings per share (EUR)	0.35		0.66
Diluted earnings per share (EUR)	0.35		0.66

Intertrust Group Interim Financial Report 30 June 2021

(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 4,037 FTEs working in its offices across more than 30 jurisdictions.

Guidance

Despite the challenging market environment, we see encouraging trends and a healthy pipeline. We reiterate our guidance that underlying revenue is expected to increase 2% to 4% in 2021. Taking into account the one-off costs and further remediation expenses in the second half of 2021, our adjusted EBITA margin guidance is expected to be between 31% and 32% in 2021 compared to 34% and 35% previously. The remediation expenses are estimated to be around EUR 10 million for H2 2021 on top of the EUR 6.4 million one-off costs in Q2 2021.

The Group's commitment to reduce its leverage ratio below 3.4x by the end of 2021 remains unchanged.

Our medium-term objectives remain unchanged with revenue growth between 4% and 6% and adjusted EBITA growth outpacing revenue growth as the benefits of the integration come through. We remain committed to sustaining capex at around 3% of revenue whilst we consider a leverage ratio of around 3.0x to be adequate for our business in the medium-term.

Financial review for the six-month period ended 30 June 2021

In the first half of 2021, the Group generated revenue of EUR 283.7 million, which is EUR 2.1 million higher compared to EUR 281.6 million in the same period of 2020.

- In Rest of the World growth was driven by a double-digit increase in Fund Services in Asia Pacific, double-digit growth in Corporate Services in the Nordics and the UK and supported by high single-digit growth in Executive Compensation Services in Jersey. In June, Intertrust expanded into Greece, setting up of an office to offer Corporate, Fund and Capital Market Services for existing and new clients.
- In Americas growth was driven by Fund Administration, a return to growth in Fund SPV Services and higher compliance-related revenue in the Cayman Islands. Growth was strong across Corporates and Funds.
- Revenue in Western Europe continued to decline because of the trends outlined earlier in the year, such as lower productivity linked to Centre of Excellence migration efforts and reduced transactional activity in connection with Covid-19, in particular for Corporates and Private Wealth.

On an underlying basis revenue grew by 3.1%. While Private Wealth declined on an underlying basis, Corporates showed 1.3% underlying growth and Fund Services and Capital Markets posted a higher than Group average underlying growth.

EBITA margin was 26.3% for the first half year of 2021, compared to 29.0% EBITA margin for the same period in 2020. EBITA included an impact of EUR 6.4 million in one-off costs, covering costs associated with the CIMA case and other legal and compliance costs in other jurisdictions. Additionally, changes in the business mix also weighed on margins but were largely offset by the positive impact of the Centre of Excellence savings in Q2 2021. As a result, H1 2021 adjusted EBITA including the Q2 one-off cost amounted to EUR 85.2 million and H1 2021 adjusted EBITA margin was 30.0%.

Staff expenses

Staff expenses increased EUR 1.7 million year-on-year to EUR 145.3 million following the hiring of employees in CoE and includes a step-up in temporary staff for remediation effort. Staff expenses mainly consists of EUR 105.1 million in salaries and wages in the six months ended 30 June 2021 (2020: EUR 108.7 million) and EUR 3.0 million of equity-settled share-based payments (2020: EUR 4.9 million). On an underlying basis staff expenses increased by 1.2%.

Rental and other operating expenses, other operating income

Rental expenses remained stable year-on-year and amounted to EUR 4.3 million for H1 2021.

Other operating expenses increased by EUR 7.4 million year-on-year mainly due to higher provisions and allowances for doubtful debts. On 13 May 2021, the Cayman Islands Monetary Authority (CIMA) issued a formal notice of an administrative fine to Intertrust Corporate Services (Cayman) Limited, a subsidiary of Intertrust N.V. This administrative fine amounted to 4.2 million KYD (approx. EUR 4.3 million) and arose from alleged breaches of specific statutory obligations under the Cayman Islands Anti-Money Laundering (AML) regime. Intertrust lodged an application to seek a judicial review of the penalty notice, the outcome of which is pending. Intertrust's Q2 2021 EBITA includes one-off costs linked to this fine as well as other legal and compliance costs across the jurisdictions we operate in.

Based on recent developments in inspections, and the increasingly complex and regulated environment in which Intertrust operates, we have decided to accelerate expense to strenghten our compliance framework across the markets we cover. In addition to the one-off costs related to the CIMA fine, and other legal and compliance costs we incurred in Q2 2021, we will implement further remediation activities in 2021 and 2022. For H2 2021 we estimate the impact to be a one-off increase of around EUR 10 million. The one-off costs primarily include third party consultants that have been engaged to provide expert advice and support to Intertrust colleagues. This process will accelerate remediation activity and enhance service provision through the application of market-leading practice. The one-off remediation activities will be finalised by the end of 2022.

Higher allowances for doubtful debts were accounted for mostly in Western Europe due to higher trade receivable balances in line with IFRS9. Higher trade receivable balances were due to the implementation of the new ERP system, late invoicing and collection. This is expected to recover over the course of this year.

Depreciation, amortisation and impairment

Depreciation, amortisation and impairment charges decreased by EUR 24.8 million year-on-year, or -39%, to EUR 39.5 million for the six months ended 30 June 2021 due to an impairment charge recognized in H1 2020 amounting to EUR 24.0 million.

Operating result

Profit from operating activities in the first half of 2021 increased by EUR 17.8 million year-on-year to EUR 50.4 million as a result of the above-mentioned movements.

Financial result

The financial result increased to EUR 9.4 million negative in the first half of 2021 from EUR 41.0 million negative in the same period last year. This increase is mainly due to the fair value adjustment of our early redemption option of the senior notes amounting to EUR 8.5 million gain (EUR 20.1 million loss in H1 2020). See further details in Note 9.

Income taxes

The income tax expense increased by EUR 6.9 million year-on-year to an income tax charge of EUR 9.2 million mainly related to the deferred tax on the bond option revaluation and resulting in an effective tax rate of 22.4% (2020: -28.0%). Excluding the impact of the revaluation of the early redemption option of the senior notes, the normalised effective tax rate was 21.7% (H1 2020: 18.7%).

Working capital

Working capital is exposed to an annual seasonality pattern. Operating working capital increased by EUR 18.9 million due to a temporary lag in billing, leading to higher work in progress, accrued other income and higher trade receivables. In addition the amount of tax payables reduced during H1 2021. The overall increase of trade receivables balances is also due to the further roll out of our new ERP system compared to year-end 2020. The increase of EUR 4.9 million in trade receivables compared to year-end 2020 caused an increase of EUR 1.0 million in the allowances for doubtful debtors balance arriving to EUR 8.7 million as at 30 June 2021 and is in accordance with IFRS9.

Cash flow

In the first half of 2021, operating cash flow decreased by EUR 37.5 million, or -36.0%, compared to the same period of 2020. The decrease in the operating cash flow is mainly attributable to both increase of accounts receivables and work in progress. Cash flow from investing activities increased from EUR 10.7 million negative in half year 2020 to EUR 5.5 million negative in half year 2021. Cash flow from financing activities of EUR 46.5 million negative relates mainly to repayment of loans and lease payments.

Related party transactions

For related party transactions, please refer to Note 21 of our interim financial report.

Principal risks and uncertainties of the first half of 2021

In the Annual Report 2020, 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 2021 and believe that the risk categories and risk factors identified

are in line with those presented in the Annual Report 2020. Those are deemed incorporated and repeated in this report by reference. 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 our employees were working from home at the peak providing uninterrupted service to our clients. The impact of Covid-19 on revenue and adjusted EBITA margin in H1 2021 was not material as in 2020. See further disclosures on this matter under Note 5 Covid-19 impact.

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, 28 July 2021

The Management Board
Shankar Iyer, CEO
Rogier van Wijk, CFO

Condensed consolidated interim statement of profit or loss

(EUR 000)	Note	Q2		H1	
		2021	2020	2021	2020
Revenue	6	**143,387**	139,452	**283,696**	281,575
Staff expenses	7	(74,300)	(72,481)	(145,301)	(143,633)
Rental expenses		(2,214)	(2,044)	(4,341)	(4,286)
Other operating expenses	8	(23,170)	(17,576)	(44,385)	(38,787)
Other operating income	8	62	137	267	2,073
Depreciation and amortisation of other intangible assets	13	(7,715)	(7,528)	(15,217)	(15,308)
Amortisation of acquisition-related intangible assets and impairment of goodwill	11	(12,206)	(36,463)	(24,320)	(49,013)
Profit/(loss) from operating activities		**23,844**	**3,497**	**50,399**	**32,621**
Financial income	9	(3,986)	(598)	9,535	1,032
Financial expense	9	(9,502)	(8,148)	(18,922)	(41,983)
Financial result		**(13,488)**	**(8,746)**	**(9,387)**	**(40,951)**
Profit/(loss) before income tax		**10,356**	**(5,249)**	**41,012**	**(8,330)**
Income tax		(2,205)	(3,269)	(9,198)	(2,333)
Profit/(loss) after tax		**8,151**	**(8,518)**	**31,814**	**(10,663)**
Profit/(loss) for the year after tax attributable to:					
Owners of the Company		8,134	(8,512)	31,794	(10,664)
Non-controlling interests		17	(6)	20	1
Profit/(loss)		**8,151**	**(8,518)**	**31,814**	**(10,663)**
Basic earnings per share (EUR)	10	0.09	(0.10)	0.35	(0.12)
Diluted earnings per share (EUR)	10	0.09	(0.10)	0.35	(0.12)

Quarterly figures are neither audited, nor reviewed. H1 figures are reviewed, but not audited.

Condensed consolidated interim statement of comprehensive income

(EUR 000)	Note	Q2		H1	
		2021	2020	2021	2020
Profit/(loss) after tax		**8,151**	**(8,518)**	**31,814**	**(10,663)**
Actuarial gains and losses on defined benefit plans		339	(38)	311	(38)
Income tax on actuarial gains and losses on defined benefit plans		(9)	20	(2)	20
Items that will never be reclassified to profit or loss		**330**	**(18)**	**309**	**(18)**
Foreign currency translation differences - foreign operations	14	(6,538)	(12,448)	20,222	(17,235)
Movement on cash flow hedges in other comprehensive income		699	(191)	1,784	(5,007)
Income tax on movement on cash flow hedges in other comprehensive income		16	-	15	-
Items that are or may be reclassified to profit or loss		**(5,823)**	**(12,639)**	**22,021**	**(22,242)**
Other comprehensive income/(loss) for the year, net of tax		**(5,493)**	**(12,657)**	**22,330**	**(22,260)**
Total comprehensive income/(loss) for the year		**2,658**	**(21,175)**	**54,144**	**(32,923)**
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		2,642	(21,170)	54,123	(32,929)
Non-controlling interests		16	(5)	21	6
Total comprehensive income/(loss) for the year		**2,658**	**(21,175)**	**54,144**	**(32,923)**

Quarterly figures are neither audited, nor reviewed. H1 figures are reviewed, but not audited.

The Notes on pages 17 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of financial position

(EUR 000)	Note	30.06.2021	31.12.2020
Assets			
Property, plant and equipment	13	85,280	92,096
Other intangible assets		23,500	22,171
Acquisition-related intangible assets	11	1,599,490	1,591,846
Other non current financial assets	13, 16	38,990	29,828
Deferred tax assets		9,635	8,933
Non-current assets		**1,756,895**	**1,744,874**
Trade receivables		98,093	94,213
Other receivables		43,091	30,782
Work in progress		42,562	35,471
Current tax assets		1,292	1,051
Other current financial assets		2,132	1,704
Prepayments		12,548	12,171
Cash and cash equivalents		137,115	141,311
Current assets		**336,833**	**316,703**
Total assets		**2,093,728**	**2,061,577**
Equity			
Share capital		54,334	54,190
Share premium		630,441	630,441
Reserves		(41,845)	(65,494)
Retained earnings		174,294	140,870
Equity attributable to owners of the Company		**817,224**	**760,007**
Non-controlling interests		328	307
Total equity	14	**817,552**	**760,314**
Liabilities			
Loans and borrowings		871,143	888,676
Other non current financial liabilities	18	77,148	83,809
Employee benefits liabilities		2,914	2,797
Deferred income		5,256	4,209
Provisions		627	1,042
Deferred tax liabilities		79,714	80,673
Non-current liabilities		**1,036,802**	**1,061,206**
Loans and borrowings		21,612	8,847
Other current financial liabilities	18	17,360	17,753
Deferred income		76,603	66,028
Provisions		8,281	3,472
Current tax liabilities		27,536	29,480
Trade payables		13,948	15,033
Other payables		74,034	99,444
Current liabilities		**239,374**	**240,057**
Total liabilities		**1,276,176**	**1,301,263**
Total equity and liabilities		**2,093,728**	**2,061,577**

Figures as at 31 December 2020 are audited, figures as at 30 June 2021 are not audited, but reviewed.

The Notes on pages 17 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

(EUR 000)	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total	Non-controlling interests	Total equity
		For the period ended 30 June 2021								
		Attributable to owners of the Company								
Balance at 01 January 2021		**54,190**	**630,441**	**140,870**	**(55,680)**	**(7,792)**	**(2,022)**	**760,007**	**307**	**760,314**
Profit/(loss)		-	-	31,794	-	-	-	**31,794**	20	**31,814**
Other comprehensive income/(loss) for the year, net of tax		-	-	309	20,221	1,799	-	**22,329**	1	**22,330**
Total comprehensive income/(loss) for the year		**-**	**-**	**32,103**	**20,221**	**1,799**	**-**	**54,123**	**21**	**54,144**
Contributions and distributions										
Equity-settled share-based payment		-	-	3,093	-	-	-	3,093	-	3,093
Treasury shares delivered		-	-	(1,627)	-	-	1,627	-	-	-
Share issuance		144	-	(144)	-	-	-	-	-	-
Total contributions and distributions		**144**	**-**	**1,322**	**-**	**-**	**1,627**	**3,093**	**-**	**3,093**
Total transactions with owners of the Company		**144**	**-**	**1,322**	**-**	**-**	**1,627**	**3,093**	**-**	**3,093**
Balance at 30 June 2021	14	**54,334**	**630,441**	**174,294**	**(35,459)**	**(5,993)**	**(394)**	**817,224**	**328**	**817,552**

(EUR 000)	Note	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total	Non-controlling interests	Total equity
		For the period ended 30 June 2020								
		Attributable to owners of the Company								
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	-	-	-
Total contributions and distributions		**-**	**-**	**2,662**	**-**	**-**	**2,291**	**4,953**	**-**	**4,953**
Total transactions with owners of the Company		**-**	**-**	**2,662**	**-**	**-**	**2,291**	**4,953**	**-**	**4,953**
Balance at 30 June 2020	14	**54,190**	**630,441**	**105,097**	**(31,224)**	**(9,986)**	**(2,022)**	**746,496**	**273**	**746,769**

The Notes on pages 17 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

(EUR 000)	Q2		H1	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit/(loss) for the period	**8,151**	**(8,518)**	**31,814**	**(10,663)**
Adjustments for:				
Income tax expense	2,205	3,269	9,198	2,333
Financial result	13,488	8,746	9,387	40,951
Depreciation and amortisation of other intangible assets	7,715	7,528	15,217	15,308
Amortisation of acquisition-related intangible assets and impairment of goodwill	12,206	36,463	24,320	49,013
(Gain)/loss on sale of non-current assets	1	1	(141)	57
Other non cash items	2,081	2,209	4,304	5,557
	45,847	**49,698**	**94,099**	**102,556**
Changes in:				
(Increase)/decrease in trade working capital	(5,473)	(12,505)	(1,266)	10,735
(Increase)/decrease in other working capital	(5,059)	1,387	(16,255)	(82)
(Decrease)/increase in provisions	3,086	(331)	4,013	(473)
Changes in foreign currency	80	(1,493)	78	(2,607)
	38,481	**36,756**	**80,669**	**110,129**
Income tax paid	(10,515)	(1,420)	(14,034)	(6,042)
Net cash from/(used in) operating activities	**27,966**	**35,336**	**66,635**	**104,087**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	-	2	166	2
Purchase of property, plant & equipment	(1,133)	(636)	(1,618)	(2,689)
Cash receipt of lease assets	356	351	710	709
Purchase of intangible assets	(2,042)	(3,447)	(4,425)	(6,009)
Acquisitions, net of cash acquired	-	-	-	(2,000)
Proceeds from sale of Investments	-	-	-	100
(Increase)/decrease in other financial assets	(417)	(105)	(738)	(1,345)
Interest received	266	212	442	488
Net cash from/(used in) investing activities	**(2,970)**	**(3,623)**	**(5,463)**	**(10,744)**
Cash flows from financing activities				
Proceeds from bank borrowings	5,219	-	13,216	10,000
Payment of financing costs	(54)	(83)	(113)	(101)
Repayment of loans and borrowings banks	(16,690)	(32,695)	(33,459)	(57,100)
Change in financial lease liabilities	(5,279)	(5,478)	(10,627)	(11,139)
Interest and other finance expenses paid	(12,132)	(12,636)	(15,552)	(17,816)
Net cash from/(used in) financing activities	**(28,936)**	**(50,892)**	**(46,535)**	**(76,156)**
Net increase/(decrease) in cash	**(3,940)**	**(19,179)**	**14,637**	**17,187**
Cash attributable to the Company at the beginning of the period	133,961	145,838	111,186	110,218
Effect of exchange rate fluctuations on cash attributable to the Company	(1,211)	(537)	2,987	(1,284)
Cash attributable to the Company at the end of the period	**128,810**	**126,121**	**128,810**	**126,121**
Cash held on behalf of clients at the end of the period	8,305	15,531	8,305	15,531
Cash and cash equivalents at the end of the period	**137,115**	**141,652**	**137,115**	**141,652**

(*) 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. H1 figures are reviewed, but not audited.

The Notes on pages 17 to 25 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 2021 to 30 June 2021 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 2021, the Group had operations in over 30 jurisdictions. The Company employed 4,037 FTEs (full-time equivalent employees) (30 June 2020: 3,833 FTEs).

2. Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2021 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 2020, 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 2020 (part of the "Annual Report 2020").

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

These condensed consolidated interim financial statements were authorised for issuance by the Management Board on 28 July 2021.

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 2020 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 2021, have been adopted by the Group from 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2021, but they do not have an impact on these condensed consolidated interim financial statements of the Group.

New standards, interpretations and amendments adopted by the Group

- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).
The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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 2020.

5. 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 our employees were working from home at the peak providing uninterrupted service to our clients. The impact of Covid-19 on revenue and adjusted EBITA margin in H1 2021 was not as material as in 2020. The full H1 2021 impact of Covid-19 is reflected in a 3.1% underlying revenue growth compared to the same period 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. 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. One-off Covid-19 related costs incurred for the six months period ending 30 June 2021 (EUR 0.4 million) mainly related to IT costs, staff accommodation, office preparation costs and others. On top of that 2 jurisdictions received governmental grants added up to EUR 0.2 million related to childcare and job support. 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 but no impairment was recognised in H1 2021.

6. Operating segments

6.1. 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 Fund Services and the United States of America.
- Rest of the World: Asia Pacific (Australia, China, Hong Kong, India excluding Fund Services (from Q4 2020), Japan, Singapore and New Zealand); Northern and Southern Europe (Cyprus, Greece (from Q2 2021), Denmark, Finland, Guernsey, Ireland, Jersey, Norway, Spain, Sweden and the United Kingdom) and Middle-East (the United Arab Emirates).

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 Note 6.2.

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.

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.

6.2. Information about reportable segments

(EUR 000)	Q2				H1			
	2021		2020		2021		2020	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Western Europe	57.0	40%	57.5	41%	112.9	40%	115.5	41%
Rest of the World	53.3	37%	48.5	35%	104.4	37%	98.3	35%
Americas	33.1	23%	33.4	24%	66.4	23%	67.8	24%
Segment Revenue	**143.4**	**100%**	**139.5**	**100%**	**283.7**	**100%**	**281.6**	**100%**

(EUR 000)	Q2				H1			
	2021		2020		2021		2020	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Western Europe	25.0	62.8%	28.7	64.5%	52.3	61.4%	57.7	63.4%
Rest of the World	21.6	54.3%	18.6	41.9%	41.7	49.0%	40.3	44.3%
Americas	13.4	33.5%	18.1	40.7%	30.7	36.0%	35.5	39.1%
Group HQ and IT costs (*)	(20.2)	-50.6%	(20.9)	-47.1%	(39.6)	-46.5%	(42.5)	-46.7%
Segment Adjusted EBITA	**39.9**	**100.0%**	**44.4**	**100.0%**	**85.2**	**100.0%**	**91.0**	**100.0%**
(*) Group HQ and IT costs are not allocated by operating segment								

(EUR million)	Q2 2021	Q2 2020	H1 2021	H1 2020
Profit/(loss) from operating activities	**23.8**	**3.5**	**50.4**	**32.6**
Amortisation of acquisition-related intangible assets and impairment of goodwill	12.2	36.5	24.3	49.0
Specific items - Integration and transformation costs	3.1	2.9	8.0	5.6
Specific items - Transaction and other costs	0.7	1.6	2.5	3.7
Adjusted EBITA	**39.9**	**44.4**	**85.2**	**91.0**

(EUR million)	Q2 2021	Q2 2020	H1 2021	H1 2020
Adjusted EBITA	**39.9**	**44.4**	**85.2**	**91.0**
Net finance costs (adjusted) - excluding net foreign exchange loss and other adjusting items[1]	(9.2)	(9.8)	(18.2)	(20.7)
Income tax (adjusted)	(3.4)	(2.8)	(7.1)	(6.7)
Adjusted Net income	**27.3**	**31.9**	**59.9**	**63.5**

[1] Foreign exchange gain/(loss) for Q2 2021 was EUR 325k, H1 2021 was EUR 220k; Q2 2020 was (EUR 1.329k), H1 2020 was (EUR 327k)

(EUR 000)	H1 2021		H1 2020	
Corporate services	93.7	33.0%	93.5	33.2%
Funds services	125.7	44.3%	123.8	44.0%
Capital markets	34.2	12.1%	32.2	11.4%
Private wealth	28.3	10.0%	30.1	10.7%
Other	1.7	0.6%	1.9	0.7%
Group	**283.7**	**100.0%**	**281.6**	**100.0%**

(EUR 000)	Q2 2021		Q2 2020	
Corporate services	46.8	32.7%	45.6	32.7%
Funds services	64.5	45.0%	61.8	44.3%
Capital markets	17.2	12.0%	17.0	12.2%
Private wealth	14.2	9.9%	14.4	10.4%
Other	0.6	0.4%	0.6	0.5%
Group	**143.4**	**100.0%**	**139.5**	**100.0%**

Quarterly figures are neither audited, nor reviewed. H1 figures are reviewed, but not audited.

6.3. 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. As a result of the onboarding of jurisdictions on our new ERP system and changes in timing of invoicing during 2021, the seasonal pattern has been delayed by a couple of months.

7. Staff expenses

(EUR 000)	Q2		H1	
	2021	2020	2021	2020
Salaries and wages	(53,917)	(54,773)	(105,129)	(108,720)
Social security contributions	(4,827)	(4,757)	(9,665)	(9,540)
Pensions and benefits	(3,386)	(2,705)	(5,821)	(5,449)
Rollover share-based payment	(598)	(1,360)	(1,479)	(2,859)
Share-based payment long term incentive plan	(1,088)	(1,205)	(1,563)	(2,076)
Other personnel expenses	(10,484)	(7,681)	(21,644)	(14,989)
Staff expenses	**(74,300)**	**(72,481)**	**(145,301)**	**(143,633)**

Quarterly figures are neither audited, nor reviewed. H1 figures are reviewed, but not audited.

The number of FTEs (full time equivalent employees) at period ended 30 June 2021 amounted to 4,037 (period ended 30 June 2020: 3,833). Average number of employees amounted to 4,037 in the first half of 2021 (2020 same period: 3,692).

Despite the increase in total FTE, the salaries decreased by EUR 3.6 million as savings from the CoE migration started to kick in. Rollover share-based payment related to the Viteos acquisition reduced by EUR 1.4 million as a portion vested in June 2020. Other personnel expenses include the cost for contractors and shows an increase of EUR 6.7 million due to hiring contractors to fill temporary vacancies in anticipation of the migration work, as well as contractors to support the remediation activities.

Share-based payment arrangements

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.

In April 2021, the Group granted 575,794 share awards under the share-based payment for employees (in April 2020: 565,195). Grants were as follows:

- 322,082 share awards of Share Deferral Plan (“SDP”) for employees,
- 100,564 of Share Deferral Plan ("SDP") for the members of the Executive Committee including Shankar Iyer for the period before being appointed as CEO. SDP for this group has three years cliff vesting.
- 153,148 of Performance Share Plan ("PSP 2021") for the members of the Management Board (61,082) and the Executive Committee (92,066).

For description of each plan we refer to the Annual Report 2020. Compared to that, the following changes are applicable to the grants:

- The grants under the SDP for the members of the Executive Committee are different from the ones disclosed in our Annual Report 2020 as these grants shall vest on the third anniversary of the Grant Date subject to the participant’s continuous employment on the vesting date.
- The grants under the PSP for the members of the Executive Committee have the same conditions as for the members of the Management Board with the exception of the holding period which only applies to the Management Board. The grant shall vest on the third anniversary of the Grant Date subject to the participant’s continuous employment on the vesting date and the achievement on the performance conditions described in the Grant Plan.

Share price at grant date was EUR 14.12.

Total share grants vested on 1 April 2021 and actual shares rewarded are the same: 341,750. The following grants vested:

- LTIP 2-4: 149,331
- LTIP 5: 8,761
- SDP 2019: 60,164 and
- SDP 2020: 123,494 grants vested and shares were distributed.

At the time of the Viteos acquisition in 2019, management of Viteos received shares of the Company. These are restricted to hold for three years after the acquisition; every year 1/3 is released from restrictions. As the shares require continued employment of the participants, the shares are accounted for as share-based payments in line with IFRS2. Restrictions for 1/3 of the shares (187,150) were released on 18 June 2021 in accordance with the agreement and expenses have ceased to be accounted for the same portion after 19 June 2021.

For further information on our share-based compensation, reference is made to Note 8 in our Annual Report 2020.

8. Other operating expenses and income

Other operating expenses increased by EUR 7.4 million year-on-year mainly due to higher provisions in line with IAS37 and allowances for doubtful debts under IFRS9. Provisions also include costs associated with the CIMA case and legal and compliance cases from other jurisdictions.

The increase of EUR 3.9 million in trade receivables compared to year-end 2020 caused an increase of EUR 1.0 million in the allowances for doubtful debtors balance arriving to EUR 8.7 million as at 30 June 2021 and is in accordance with IFRS9. Higher allowances for doubtful debts were accounted for mostly in Western Europe. Higher trade receivable balances were a consequence of late invoicing and collection due to the implementation of our new ERP system. This is expected to recover over the course of this year.

Other operating income decreased by EUR 1.8 million mainly due to a one-off benefit from the reimbursement of a legal claim and legal fees which were paid in H1 2017 and reimbursed in 2020.

9. Financial result

The financial result increased by EUR 31.6 million to EUR 9.4 million negative in the first half of 2021 from EUR 41.0 million negative 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 8.5 million gain in H1 2021 (H1 2020: EUR 20.1 million loss) which is due to recovery of the market conditions in 2021 after deterioration in 2020 during the pandemic.

The breakdown of the financial result for the six months period ended 30 June 2021 is as follows:

- Interest expense on financial liabilities of EUR 14.7 million (H1 2020: EUR 17.0 million);
- Amortisation of financing fees EUR 1.5 million (H1 2020: EUR 1.5 million);
- Net foreign exchange gains of EUR 0.2 million (H1 2020: net foreign exchange losses of EUR 0.3 million);
- Net change in fair value of financial liabilities excluding the option revaluation of EUR 0.1 million positive (H1 2020: EUR 0.2 million positive);
- Financial lease related interest income and expenses in net of EUR 1.3 million expense (H1 2020: EUR 1.6 million);
- Early redemption option revaluation of EUR 8.5 million gain (H1 2020: EUR 20.1 million loss);
- Other costs of EUR 0.7 million (H1 2020: EUR 0.7 million).

10. Earnings per share

	Q2		H1	
Earnings per share	2021	2020	2021	2020
Basic earnings per share (euro)	0.09	(0.10)	0.35	(0.12)
Diluted earnings per share (euro)	0.09	(0.10)	0.35	(0.12)
Adjusted basic earnings per share (euro)	0.30	0.35	0.66	0.70

Quarterly figures are neither audited, nor reviewed. H1 figures are reviewed, but not audited.

10.1. Basic earnings per share

The calculation of basic earnings per share was based on the gain attributable to ordinary shareholders of EUR 31,794 thousand for the six months ended 30 June 2021 (for the six months ended 30 June 2020: EUR 10,664 thousand) and weighted-average number of ordinary shares of 90,369,835 for the six months ended 30 June 2021 (for the six months ended 30 June 2020: 90,128,939).

10.2. 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 1,050,211 for the six months ended 30 June 2021 (for the six months ended 30 June 2020: 957,709).

10.3. Adjusted net income per share

The Group calculates the Adjusted net income for the six months ended 30 June 2021 to be EUR 59.9 million (for the six months ended 30 June 2020: EUR 63.5 million). Adjusted net income is defined as Adjusted EBITA, less adjusted net finance costs of EUR 18.2 million (for the six months ended 30 June 2020: EUR 20.7 million) and less tax costs of EUR 7.1 million (for the six months ended 30 June 2020: EUR 6.7 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the six months ended 30 June 2021 of 90,369,835 (for the six months ended 30 June 2020: 90,128,939), the adjusted net income per share is EUR 0.66 (for the six months ended 30 June 2020: EUR 0.70).

11. Acquisition-related intangible assets

During the six months ended 30 June 2021, there were no new acquisition-related intangible assets recognised in the balance sheet. See more details under (Note 12). The only change was regarding an immaterial update on the valuation within the 1 year window.

The amortisation of acquisition-related intangible assets for the six months ended 30 June 2021 was EUR 24,320 thousand (for the six months ended 30 June 2020: EUR 25,013 thousand).

In addition, EUR 24.0 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. No impairment was recognised in H1 2021.

Impairment testing

Goodwill is tested for impairment annually in the fourth quarter and quarterly in case of triggers identified. As there were no indicators for impairment of any of the other CGUs, management has not updated the impairment calculations prepared at year-end 2020 and did not recognise any impairment for H1 2021.

In H1 2020 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. No impairment was recognised in H1 2021.

12. Business combinations

2021

No new acquisitions occurred during the six-months ended 30 June 2021. For subsequent events see Note 22.

2020

Round Hill Capital

On 21 January 2020, the Group acquired Round Hill Capital's legal and corporate administration services business.

Van Doorn

On 1 September 2020, the Group acquired the client portfolio of Van Doorn AG, a Swiss corporate management and private wealth services company based in Zug.

Sameer Mittal & Associates LLP

On 1 October 2020, the Group acquired the corporate services business of Sameer Mittal & Associates a leading provider based in India.

All acquisitions incurred in 2020 had no material impact individually or cumulative on the Company's financial positions or results and accounting of these transactions were in accordance with IFRS3. Combined the acquisitions resulted in an addition of acquisition-related intangibles and goodwill amounting to EUR 6.8 million, EUR 2.8 million cash outflow, EUR 3.7 million estimated accrual for future payments and EUR 0.3 million classified under other type of assets and liabilities. In accordance with IFRS3 no further information is disclosed.

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

The Group signed new lease agreements in current year which caused an increase of the right of use assets by EUR 1.8 million (2020: EUR 1.3 million). Depreciation of right of use assets for the six month period ended 30 June 2021 was EUR 9.1 million (2020: EUR 9.8 million). No other major movements happened in PPE.

14. Capital and reserves

14.1. Share capital

The subscribed capital increased from 31 December 2020 (EUR 54,190 thousand) to EUR 54.334 thousand as at 30 June 2021. On 1 April 2021 Intertrust N.V. issued 240,000 new shares. The total number of issued shares as at 30 June 2021 was 90,556,352 (Issued shares as at 31 December 2020: 90,316,352). There was no change in the nominal value per share of EUR 0.60.

14.2. Share premium

At 30 June 2021 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2020 and 30 June 2020.

14.3. Retained earnings

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

No dividend proposed to be paid over the year 2020.

Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 30 June 2021, the Group held 16,587 of the Company's shares (31 December 2020: 118,336). The decrease is due to share based payment grants that vested as at 1 April 2021.

15. Provisions

Provisions increased from EUR 4.5 million (31 December 2020) to EUR 8.9 million (30 June 2021). Provisions include legal provisions, restructuring provisions and other provisions. The significant increase is mainly related to the higher probable outflow that is estimated regarding some of our compliance and legal related matters, including but not restricted to the CIMA case. The accounting policy relating to provisions did not change compared to previous years. For further information on provisions, reference is made to Note 30 in our Annual Report 2020.

16. Financial instruments

Credit risk

Our credit risk assessment did not change compared to the disclosure Note 24 in our Annual Report 2020. 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.

Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (translation risk: 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 dollar (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Pound sterling and US Dollar, the notes are denominated in Euro. The objective is to partly match the main cash flows generated by the underlying operations of the Group with the debt which provides an economic hedge.

In the translation of our foreign operations to our functional currency, we have recognised in the Other comprehensive income in H1 2021 EUR 22.3 million gain (H1 2020 EUR 23.2 million loss) mainly due to the USD and GBP foreign currency exchange rate movement.

The Group will take the following approach with regards to IBOR reform: For US Libor, the reference rate will be available until mid 2023, so there is no urgent need to implement any changes in the near future. GBP Libor will cease to exist per the end of 2021. We will update our SFA documentation in due course to reflect the new reference rate for GBP. Following the update of the SFA documentation, also the GBP Interest Rate Swap and GBP intercompany loans will be adjusted.

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.

Liquidity risk

There has been no change in our liquidity risk assessment compared to our disclosure Note 24 in our Annual Report 2020.

Capital management

The capital structure of the Group did not change significantly. Leverage ratio at the end of the reporting period was 3.68x (H1 2020: 3.81x). 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 2021 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 2020. There are level 1 and level 2 fair values. No transfers between levels were applicable in 2021 and 2020.

The fair value of the bond has increased as well as the fair value of the early redemption option of the bond. The bond's carrying value excluding accrued interest is EUR 495.0 million (Level 2) versus the market quoted price is EUR 511.5 million (Level 1) as at 30 June 2021 (2020: EUR 493.9 million and EUR 502.4 million respectively). The bond is accounted on amortised cost as disclosed in our Annual Report 2020. 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 2021 was EUR 18.9 million compared to EUR 10.4 million as at 31 December 2020. See further details under Note 9. 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 2020. This fair value adjustment has no impact on our cash flow. Due to increasing market rates during the half year, the price of our senior notes slightly reduced and amounted to 102.3 at the end of H1 2021.

17. Cash flow hedges

The balance at 30 June 2021 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 2021.

The USD and GBP hedges were assessed to be effective at 30 June 2021. Balance sheet positions recognised as liabilities at 30 June 2021 were EUR 6,030 thousand (2020: EUR 9,984 thousand). The decrease is mainly due to the fair value change of the hedges.

The Group has also hedged the most significant (underlying) currency exposures (currency USD-INR risk).

18. 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 2021 disclosed in Note 13 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.

19. Contingencies

Intertrust is involved in governmental, regulatory (a.o. AML and KYC), and legal proceedings and investigations in several jurisdictions, involving amongst others claims in the ordinary course of business and remediation actions as a result of increasing regulations. 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 but could have a material adverse effect on our operational and financial performance. Where necessary legal and/or external advice has been obtained. Some of our claims, regulatory proceedings have transferred from Contingencies and have been accounted for as Provisions compared to what was disclosed in the 2020 Annual Report. See Note 15 Provisions for more details.

20. Commitments

In the first half of 2021, there were no material changes to the Group's commitments from those disclosed in Note 32 of our Annual Report 2020.

21. Related parties

During the six months ended 30 June 2021, 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 2020.

22. Subsequent events

A non-significant acquisition in Hong Kong, Pinsent Masons, has taken place in July 2021. The acquisition does not have a material impact on the Company's financial position or results and the terms of the transaction are not disclosed. Pinsent Masons will be included in the Rest of the World reporting segment.

23. Non-IFRS Financial measures

Definitions

For the definitions of non-financial measures we refer to the Glossary in the Annual Report 2020. We give more clarification as listed below on:

- Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets.
- Adjusted EBITA margin is defined as adjusted EBITA divided by revenue, and is expressed as a percentage.
- Adjusted EBITDA is defined as EBITDA excluding specific items.
- Adjusted earnings per share is defined as adjusted net income divided by the weighted-average number of basic shares for the period.
- Adjusted net income (or Adjusted basic earnings per share) is defined as adjusted EBITA less adjusted net interest costs, less adjusted tax expenses and share of profit of equity. accounted investees (net of tax) and excluding adjusted items in financial results and income taxes.
- Adjusted net interest is defined as net finance cost fair value adjustments (for specific financial instruments) recognised in the Statement of profit and loss.
- Basic earnings per share (Basic EPS) is defined as net result attributable for equity holders divided by average shares outstanding during the period.
- 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.
- Diluted earnings per share (Diluted EPS) is defined as net result attributable for equity holders divided by average fully diluted shares outstanding during the period.
- EBITA is defined as profit/(loss) from operating activities excluding amortisation of acquisition related intangibles and impairment of goodwill.
- EBITDA is defined as profit/(loss) from operating activities excluding depreciation, amortisation and impairment of goodwill.
- Effective tax rate ("ETR") is calculated as minus one times income tax expense divided by the profit before tax of the Group.
- Leverage ratio is defined as total net debt (on "last twelve months" (LTM) average FX rates) divided by the adjusted EBITDA excluding IFRS16, proforma contribution for acquisitions and full year run-rate synergies related to

acquisitions and other Senior Facility Agreement (SFA) adjustments such as the addback of LTM LTIP, Share deferral plan (SDP) and Rollover share plan accruals.
- 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.
- Net finance costs is defined as financial results excluding foreign exchange (FX) gains/losses.
- Specific items 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;
  - 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).

Review report

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

Introduction

We have reviewed the condensed consolidated interim financial statements included in the accompanying interim financial report of Intertrust N.V. based in Amsterdam for the period from 1 January 2021 to 30 June 2021.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of Intertrust N.V. for the period from 1 January 2021 to 30 June 2021, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

- the condensed consolidated interim statement of financial position;
- the following statements for the period from 1 January 2021 to 30 June 2021: the condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity, and cashflows;
- the notes to the condensed consolidated interim financial statements comprising of a summary of the significant accounting policies and selected explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the "Our responsibilities for the review of the condensed consolidated interim financial statements" section of our report.

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

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

Three months interim financial information not audited or reviewed

We were not engaged to audit or review the financial information relating to the (second) quarter ending 30 June 2021 ('Q2 2021') nor the comparative financial information for the (second) quarter ending 30 June 2020 ('Q2 2020'). Consequently, we have not audited nor reviewed the three-month figures for the period from 1 April 2021 to 30 June 2021 nor the comparative financial information for the period from 1 April 2020 to 30 June 2020 included in the condensed consolidated interim financial statements of profit or loss, comprehensive income, and cash flows and in the related notes.

Responsibilities of the management board and the supervisory board for the condensed consolidated interim financial statements

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

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

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

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

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

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

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

Amsterdam, 28 July 2021

Ernst & Young Accountants LLP

J.J. Vernooij