

## Intertrust reports Q2 and H1 2019 results

Amsterdam, the Netherlands – 1 August 2019 – 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 2019.

### General

The acquisition of Viteos was closed on 17 June 2019. Reported numbers include the results of Viteos operations from 18 June to 30 June 2019. Viteos is included in the Americas segment and in Funds as of this date. For the purpose of calculating underlying percentage changes, Viteos revenue and EBITA are included in full for H1 2018 and H1 2019, in line with company reporting policy.

### Q2 2019 Highlights

- Viteos acquisition completed on 17 June 2019. Integration process started immediately.
- Revenue increased to EUR 128.2 million, an underlying growth of 3.5%, Viteos contributed EUR 1.7 million.
- Revenue increased 2.5% excluding Viteos.
- Adjusted EBITA amounted to EUR 46.8 million, up 1.7% on an underlying basis.
- Adjusted EBITA margin of 36.5% (Q2 2018: 36.8%).
- Adjusted EPS increased to EUR 0.38 (Q2 2018: EUR 0.37).

### H1 2019 Highlights

- Revenue of EUR 253.5 million, an underlying increase of 3.5%. Revenue increased 2.3% excluding Viteos.
- Adjusted EBITA amounted to EUR 92.1 million, -0.7% on an underlying basis.
- Adjusted EBITA margin of 36.3% (H1 2018: 37.2%) mainly due to higher IT costs.
- Adjusted EPS increased to EUR 0.75 (H1 2018: EUR 0.74).
- Interim dividend of EUR 0.30 per share (H1 2018: EUR 0.30), payment date 29 November 2019.
- Guidance for 2019 confirmed at 3 – 5% underlying revenue growth excluding Viteos and an adjusted EBITA margin of at least 36%.

### Stephanie Miller, CEO of Intertrust, commented:

*"The acquisition of Viteos is obviously the biggest highlight of this reporting period. The acquisition is a competitive game-changer for Intertrust and accelerates our strategy to become a global leader in tech-enabled corporate and fund solutions. We have initiated the integration process, are continuing to add technological innovations to our service offering, and leveraging Viteos' offshore Centres of Excellence in India, we have fast-tracked our standardisation, centralisation and shared services initiatives. While combining the two companies, we continue to focus on providing excellent client service and delivering on our guidance.*

"I am satisfied with the performance over the first half of the year, in which we report modest growth. Based on our forecast for the remainder of the year, I am confident that we will deliver on our full year guidance. We continue to perform well in a competitive market, with Funds being the highest growth driver and Corporates reporting a strong second quarter. We continue to execute on our strategic plans and, following demand from clients, we opened a new office in Shenzhen, China, and expanded our global footprint by opening an office in Paris, France, to provide Corporate and Fund services. On the people side, Global Head of Funds, Patrick O'Brien, and Chief Commercial Officer, Ian Lynch, both came on board to lead our client-centric commercial strategy and drive business growth."

## Intertrust Group Q2 2019 figures

	As reported			Adjusted <sup>1</sup>			Underlying % change <sup>3</sup>
	Q2 2019 <sup>2</sup>	Q2 2018	% Change	Q2 2019	Q2 2018	% Change	
Revenue (€m)	127.9	121.5	5.2%	128.2	121.5	5.5%	3.5%
EBITA (€m)	38.6	40.6	-4.8%	46.8	44.7	4.8%	1.7%
EBITA Margin	30.2%	33.4%	-316bps	36.5%	36.8%	-27bps	-66bps
Net Income (€m)	28.6	19.0	50.5%	34.3	33.0	3.9%	
Earnings per share (€) <sup>4</sup>	0.32	0.22	45.5%	0.38	0.37	3.5%	
Cash flow from operating activities (€m)	27.4	27.6	-0.7%				

<sup>1</sup> Reconciliation of performance measures to reported results (see page 8) for further information on Adjusted figures

<sup>2</sup> As reported Q2 2019 figures include the impact of IFRS16

<sup>3</sup> Underlying: Current (excluding the IFRS16 impact) and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

<sup>4</sup> Average number of shares for Q2 2019: 89,580,687 shares; average for Q2 2018: 89,187,291 shares

## Intertrust Group H1 2019 figures

	As reported			Adjusted <sup>1</sup>			Underlying % change <sup>3</sup>
	H1 2019 <sup>2</sup>	H1 2018	% Change	H1 2019	H1 2018	% Change	
Revenue (€m)	252.7	241.6	4.6%	253.5	241.6	4.9%	3.5%
EBITA (€m)	82.1	84.7	-3.0%	92.1	90.0	2.4%	-0.7%
EBITA Margin	32.5%	35.0%	-256bps	36.3%	37.2%	-92bps	-150bps
Net Income (€m)	50.0	41.0	22.1%	67.1	66.8	0.5%	
Earnings per share (€) <sup>4</sup>	0.56	0.46	21.7%	0.75	0.74	0.9%	
Cash flow from operating activities (€m)	87.4	95.3	-8.3%				

<sup>1</sup> Reconciliation of performance measures to reported results (see page 8) for further information on Adjusted figures

<sup>2</sup> As reported H1 2019 figures include the impact of IFRS16

<sup>3</sup> Underlying: Current (excluding the IFRS16 impact) and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

<sup>4</sup> Average number of shares for H1 2019: 89,407,231 shares; average for H1 2018: 89,779,964 shares.

## Financial review

### Revenue

Q2 2019 underlying revenue increased by 3.5% to EUR 128.2 million. Funds and Corporates were the main drivers with revenue growth of 7.8% and 4.1% respectively. Viteos was consolidated as of 18 June 2019 and contributed EUR 1.7 million to revenue. Excluding Viteos revenue growth was 2.5% at constant currency.

H1 2019 revenue amounted to EUR 253.5 million, an increase of 3.5% underlying. Excluding Viteos, revenue growth was 2.3% at constant currency. Corporates reported strong growth in the quarter across most jurisdictions. Revenue in Funds increased by 9.1% in H1 2019 driven by the inclusion of the new Viteos business. Excluding Viteos, revenue growth in Funds was 7.0%. Growth in Capital Markets was modest in the quarter due to strong comparables of Q2 2018.

The table below shows the breakdown of revenue per service line:

(EUR million)	Q2 2019	Q2 2018	% Change	Underlying % change <sup>1</sup>	H1 2019	H1 2018	% Change	Underlying % change <sup>1</sup>
Corporates	48.5	46.1	5.2%	4.1%	95.5	92.1	3.7%	2.4%
Funds	46.7	41.5	12.5%	7.8%	90.5	80.8	12.1%	9.1%
Capital Markets	15.9	15.5	2.6%	1.4%	31.5	29.8	6.0%	4.5%
Private Wealth	16.2	16.4	-1.1%	-2.4%	33.2	34.8	-4.8%	-6.4%
Other <sup>2</sup>	1.0	2.0	-53.3%	-54.4%	2.8	4.2	-32.0%	-34.4%
<b>Total Group revenue</b>	<b>128.2</b>	<b>121.5</b>	<b>5.5%</b>	<b>3.5%</b>	<b>253.5</b>	<b>241.6</b>	<b>4.9%</b>	<b>3.5%</b>

<sup>1</sup> Underlying: Current (excluding the IFRS16 impact) and prior period at constant currency and, if applicable, including proforma figures for acquisition(s)

<sup>2</sup> The IFRS16 impact in other services, related to sublease income is EUR (0.4m) in Q2 2019 and EUR (0.8m) in H1 2019

### Adjusted EBITA and adjusted EBITA margin

Adjusted EBITA increased 4.8% (+1.7% underlying) in Q2 2019 to EUR 46.8 million and increased 2.4% (-0.7% underlying) to EUR 92.1 million in H1 2019. Adjusted EBITA margin was 36.5% in Q2 2019 (Q2 2018: 36.8%) and 36.3% in H1 2019 (H1 2018: 37.2%) in line with current year guidance of at least 36%. The difference in margin compared to last year is mainly explained by higher IT costs.

The difference between reported EBITA and adjusted EBITA is explained in the table on page 8 and mainly resulted from costs relating to the acquisition of Viteos.

### Financing and tax expenses

The net financial result of EUR 9.7 million positive in Q2 2019 (Q2 2018: EUR 7.1 million negative) includes the following items:

(EUR million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Net interest cost	(8.0)	(7.1)	(15.8)	(13.7)
Fair value adjustment of the early redemption option	18.1	-	21.4	-
Fair value adjustment earn out	0.0	(0.2)	(1.3)	(0.4)
Other	(0.4)	0.2	(0.6)	(0.5)
<b>Net financial result</b>	<b>9.7</b>	<b>(7.1)</b>	<b>3.7</b>	<b>(14.6)</b>

The fair value gain of EUR 18.1 million in Q2 2019 and EUR 21.4 million in H1 2019 relates to the mark to market accounting of the early redemption option in the senior notes. This item is excluded in the calculation of adjusted net income and has no cash impact.

Income tax expenses in H1 2019 increased to EUR 13.1 million (H1 2018: EUR 8.8 million) mainly related to the deferred tax on the bond option revaluation. The effective tax rate in H1 2019 was 20.8% (H1 2018: 17.6%). The normalised effective tax rate was 18.6%.

### Earnings per share (EPS)

Adjusted EPS in Q2 2019 was EUR 0.38 versus EUR 0.37 in Q2 2018. In H1 2019 the adjusted EPS increased to EUR 0.75 from EUR 0.74 in H1 2018.

Following the acquisition of Viteos 561,150 new shares were issued on 18 June 2019 resulting in a total number of issued shares of 90,316,352. The average number of outstanding shares in H1 2019 was 89,407,231 (H1 2018: 89,779,964).

## Key performance indicators (KPIs)

	Q2 2019	Q2 2018	H1 2019	H1 2018
FTE (end of period)	3,327	2,485	3,327	2,485
Revenue / Billable FTE (€k, LTM) <sup>1</sup>	263.0	260.4	263.0	260.4
Billable FTE / Total FTE (as %, end of period)	78.3%	75.6%	78.3%	75.6%
HQ & IT costs (as % of revenue)	14.0%	14.1%	14.1%	13.9%
Working capital / LTM Revenue (as %)	-3.5%	-3.2%	-3.5%	-3.2%

<sup>1</sup> Billable FTE is calculated based on LTM average, revenue is not corrected for currency impact

The total number of FTE increased to 3,327, an addition of 842 FTE, mainly as the result of the inclusion of Viteos. LTM revenue per billable FTE improved from EUR 260.4k to EUR 263.0k. The ratio Billable FTE/Total FTE improved to 78.3% from 75.6% mainly as a result of the inclusion of Viteos. HQ & IT costs as a percentage of revenue improved in Q2 2019 from 14.1% to 14.0% of revenue, as further explained on page 6. In line with our expectations, working capital continued to improve compared to the same period last year.

## Capital employed

(EUR million)	30.06.2019	31.12.2018	30.06.2018
Acquisition-related intangible assets	1,726.4	1,451.8	1,464.1
Other intangible assets	15.3	15.3	13.7
Property, plant and equipment	15.3	14.6	15.1
Total working capital	(17.8)	(16.0)	(15.6)
Other assets	27.3	3.1	5.2
<b>Total Capital employed (Operational)</b>	<b>1,766.4</b>	<b>1,468.8</b>	<b>1,482.6</b>
Total equity	738.8	718.8	691.3
Net debt	937.7	682.0	713.7
Provisions, deferred taxes and other liabilities	89.9	68.0	77.6
<b>Total Capital employed (Finance)</b>	<b>1,766.4</b>	<b>1,468.8</b>	<b>1,482.6</b>

## Cash flow, working capital and net debt

Net cash flow from operating activities continued to be strong and was EUR 87.4 million in H1 2019. Net cash flow from operating activities in H1 2018 amounted to EUR 95.3 million but included a one-off positive working capital inflow impact following a delayed billing cycle in Cayman in Q4 2017.

Working capital (including Viteos) at the end of Q2 2019 amounted to EUR 17.8 million negative compared to EUR 15.6 million negative at the end of Q2 2018, continuing its year-on-year improvement trajectory. The breakdown is as follows:

(EUR million)	30.06.2019	31.12.2018	30.06.2018
Operating working capital	12.9	10.7	22.6
Net current tax	(30.7)	(26.6)	(38.1)
<b>Total working capital</b>	<b>(17.8)</b>	<b>(16.0)</b>	<b>(15.6)</b>

Excluding Viteos, working capital amounted to EUR 24.6 million negative. Capex<sup>1</sup> for H1 2019 was 1.6% of revenue from 1.3% of revenue in H1 2018.

Net debt increased to EUR 937.7 million at the end of Q2 2019 (from EUR 638.0 million at the end of Q1 2019), mainly as a result of a new USD 150 million term loan, USD 99 million revolving credit facility utilisation and cash used for the acquisition of Viteos. The leverage ratio increased to 4.01x (end Q2 2019) from 3.14x (end Q1 2019), well within our bank

<sup>1</sup> Investments in property, plant, equipment and other intangible assets not related to acquisitions.

covenant of 4.50x. Based on the covenant definitions in our Senior Facilities Agreement, pro forma EBITA of Viteos and expected synergies are included in the calculation of the leverage ratio.

## Performance in key jurisdictions

### Western Europe

46% of H1 2019 Group revenue

	Q2 2019	Q2 2018	% Change	Underlying % change <sup>1</sup>	H1 2019	H1 2018	% Change	Underlying % change <sup>1</sup>
Revenue (€m)	57.4	56.8	1.1%	1.0%	115.5	114.3	1.0%	0.9%
Adjusted EBITA (€m)	32.1	31.9	0.7%	0.7%	64.9	64.6	0.4%	0.4%
Adjusted EBITA Margin	55.9%	56.1%	-24bps	-17bps	56.2%	56.5%	-37bps	-32bps

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

In Q2 2019 revenue in Western Europe increased 1.0% to EUR 57.4 million from EUR 56.8 million in Q2 2018. Netherlands performed well and continued to increase market share. Revenue in Q2 2019 was in line with Q2 2018. Luxembourg revenue increased 1.5% compared to Q2 2018, and 3.1% in H1 2019 compared to H1 2018. In line with our expectations revenue was negatively impacted by a number of clients deciding to insource part of our business. Visibility on revenue for the rest of the year is strong. As a result of the above, revenue in Western Europe for H1 2019 increased 0.9% to EUR 115.5 million compared to EUR 114.3 million in H1 2018.

Adjusted EBITA margin continued to be strong at 55.9% in Q2 2019 (Q2 2018: 56.1%) and amounted to 56.2% for the first half year 2019 (H1 2018: 56.5%).

In June 2019 Intertrust opened an office in Paris, France, focusing primarily on Corporates and Funds. With the opening of this office Intertrust expands its geographical footprint to more than 30 jurisdictions.

### Rest of the World (ROW)

38% of H1 2019 Group revenue

	Q2 2019	Q2 2018	% Change	Underlying % change <sup>1</sup>	H1 2019	H1 2018	% Change	Underlying % change <sup>1</sup>
Revenue (€m)	49.2	45.2	8.8%	7.4%	96.5	89.6	7.7%	5.7%
Adjusted EBITA (€m)	21.5	19.2	12.0%	11.2%	42.1	38.3	9.8%	8.1%
Adjusted EBITA Margin	43.7%	42.4%	124bps	151bps	43.6%	42.8%	83bps	97bps

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

ROW continues to report strong underlying revenue growth of 7.4% for the quarter to EUR 49.2 million (Q2 2018: 45.2 million). The growth was mainly driven by good performance of Corporates in the Nordics, Spain and UK, and Funds in Asia Pacific and Spain. In H1 2019 revenue amounted to EUR 96.5 million, an underlying increase of 5.7% mainly in Corporates, Funds and Capital Markets.

Adjusted EBITA margin amounted to 43.7% in Q2 2019 compared to 42.4% in Q2 2018. Adjusted EBITA margin was 43.6% in H1 2019 compared to 42.8% in H1 2018. This is mainly the result of solid revenue growth and operating leverage.

## Americas

### 16% of H1 2019 Group revenue

	Q2 2019	Q2 2018	% Change	Underlying % change <sup>1</sup>	H1 2019	H1 2018	% Change	Underlying % change <sup>1</sup>
Revenue (€m)	21.6	19.5	10.7%	2.5%	41.6	37.7	10.2%	5.0%
Adjusted EBITA (€m)	11.2	10.7	4.7%	-4.0%	20.9	20.6	1.2%	-5.0%
Adjusted EBITA Margin	52.0%	54.9%	-297bps	-344bps	50.3%	54.8%	-448bps	-518bps

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

Revenue increased 2.5% on an underlying basis in Q2 2019 to EUR 21.6 million. H1 2019 revenue increased 5.0% underlying to EUR 41.6 million (H1 2018: EUR 37.7 million). The reported revenue in Q2 and H1 2019 included EUR 1.7 million of Viteos revenue. Excluding Viteos, revenue in the Americas declined by 4.1% at constant currency in Q2 2019 (H1 2019: -1.4%) primarily due to reduced client activity in Cayman and the Bahamas and lower than expected new business. We expect revenues to pick up again in H2 2019.

Adjusted EBITA margin was 52.0% in Q2 2019 (Q2 2018: 54.9%), a decrease of 344bps. In H1 2019 adjusted EBITA margin amounted to 50.3% compared to 54.8% in H1 2018. The decrease in margin is due to reduced operating leverage and the full impact in Q2 2019 of the previously announced investments in future growth of the US business, such as office expansion in Delaware.

### Group HQ & IT costs

(EUR million)	Q2 2019	Q2 2018	H1 2019	H1 2018
Group HQ costs	(7.7)	(8.0)	(15.4)	(16.2)
Group IT costs	(10.3)	(9.1)	(20.3)	(17.4)
<b>Total Group HQ &amp; IT costs</b>	<b>(18.0)</b>	<b>(17.1)</b>	<b>(35.8)</b>	<b>(33.7)</b>

In Q2 2019 Group HQ and IT costs increased to EUR 18.0 million from EUR 17.1 million in Q2 2018. This is driven by higher IT costs related to the continued migration to external data centers, the client portal IRIS and the preparation to automate part of the workflows. HQ costs were well below the previously announced quarterly run-rate of EUR 8.5 – 9.0 million.

### Acquisition of Viteos

On 18 June 2019 Intertrust announced the acquisition of Viteos, a provider of leading-edge technology solutions for U.S. funds. The acquisition of Viteos accelerates our strategy to become a global leader in tech-enabled corporate and fund solutions, adding a high growth provider of leading-edge technology solutions with a top 10 position in U.S. fund administration and over 80 top tier clients. More information about this acquisition can be found in the Interim Financial Report [Note 9](#) and the [press release of 18 June 2019](#).

## Guidance 2019 and medium term outlook

### Guidance 2019

Guidance for 2019 is confirmed and unchanged except for the effective tax rate following the acquisition of Viteos:

- Underlying revenue growth of 3 – 5%, excluding Viteos;
- Adjusted EBITA margin of at least 36%;
- Capex around 2% of revenue;
- Effective tax rate of around 20% (from 19%);
- Dividend of at least 40% of adjusted net income.

### Medium term outlook

Medium-term outlook, as communicated in the press release on the acquisition of Viteos of 18 June 2019, is as follows:

- Underlying revenue growth of 4 – 6%;
- Adjusted EBITA margin of at least 40% for 2021;
- Capex around 2% of revenue;
- Effective tax rate of around 21%;
- Dividend of at least 40% of adjusted net income.

### Additional information

#### Financial calendar 2019

Date	Event
31 October	Q3 2019 trading update
6 November	Interim ex-dividend date
7 November	Interim dividend record date
29 November	Interim dividend payment date

#### Analyst call / webcast

Today, Intertrust's CEO Stephanie Miller and CFO Hans Turkesteen 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

Intertrust (Euronext: INTER; 'the Company') is a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing in the international business environment. The Company has around 3,500 employees in more than 30 jurisdictions in Europe, the Americas, Asia Pacific and the Middle-East. Intertrust delivers high-quality, tailored fund, corporate, capital market and private wealth services to its clients, with a view to building long-term relationships. The Company works with global law firms and accountancy firms, multinational corporations, financial institutions, fund managers, high net worth individuals and family offices.

#### Forward-looking statements and presentation of financial and other information

This press release may contain forward looking statements with respect to Intertrust's future financial performance and position. Such statements are based on Intertrust's current expectations, estimates and projections and on information currently available to it. Intertrust cautions investors that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause Intertrust's actual financial performance and position to differ materially from these statements. Intertrust has no obligation to update or revise any statements made in this press release, except as required by law.

All figures included in this press release are unaudited. Adjusted Q2 2019 and H1 2019 numbers are excluding IFRS16 impact and used for comparison purposes unless stated otherwise.

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.

### Segmentation change reconciliation

As of Q1 2019, Intertrust reports on three segments consisting of Western Europe, Americas and Rest of the World. Refer to [Basis for segmentation](#) on page 19 for a detailed breakdown of the change in segmentation and restated 2018 figures.

### Reconciliation of performance measures to reported results

(EUR million)	Q2 2019 (excl IFRS16)	Q2 2018	Q2 2019 (incl IFRS16)	H1 2019 (excl IFRS16)	H1 2018	H1 2019 (incl IFRS16)
Profit/(loss) from operating activities	27.8	30.3	27.8	60.5	64.3	60.7
Amortisation of acquisition - Related intangible assets	10.8	10.2	10.8	21.3	20.4	21.3
Specific items - Integration and transformation costs	1.1	3.4	1.1	2.9	4.3	2.9
Specific items - Transaction and other costs	7.1	0.7	7.1	7.3	1.0	7.3
<b>Adjusted EBITA</b>	<b>46.8</b>	<b>44.7</b>	<b>46.8</b>	<b>92.1</b>	<b>90.0</b>	<b>92.3</b>

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

Integration and transformation costs relate to the continuous efforts to streamline and improve operational efficiency. Transaction and other costs in Q2 2019 primarily consist of costs relating to the acquisition of Viteos.

(EUR million)	Q2 2019 (excl IFRS16)	Q2 2018	Q2 2019 (incl IFRS16)	H1 2019 (excl IFRS16)	H1 2018	H1 2019 (incl IFRS16)
<b>Adjusted EBITA</b>	<b>46.8</b>	<b>44.7</b>	<b>46.8</b>	<b>92.1</b>	<b>90.0</b>	<b>92.3</b>
Net finance costs (adjusted) - excluding net foreign exchange loss and other adjusting items <sup>1</sup>	(8.3)	(7.5)	(8.9)	(16.3)	(14.5)	(17.5)
Share of profit of associate (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Income tax (adjusted)	(4.3)	(4.3)	(4.3)	(8.7)	(8.8)	(8.6)
<b>Adjusted Net income</b>	<b>34.3</b>	<b>33.0</b>	<b>33.7</b>	<b>67.1</b>	<b>66.8</b>	<b>66.1</b>

<sup>1</sup> Foreign exchange gain/(loss) for Q2 2019 was (EUR 195k), H1 2019 was (EUR 176k); Q2 2018 was (EUR 405k), H1 2018 was (EUR 129k)

**Adjusted Net Income** is defined as Adjusted EBITA less net interest costs, less tax expenses and share of profit of equity, accounted investees (net of tax) and excluding adjusting items in financial results and income taxes.

### Tax reconciliation

(EUR million)	H1 2019 <sup>1</sup>		H1 2018		Change
Profit before income tax		63.2		49.7	13.5
Income tax using the Company's domestic tax rate	25.0%	(15.8)	25.0%	(12.4)	(3.4)
Effect of tax rates in foreign jurisdictions		3.8		3.5	0.3
Effect of non-taxable and deferred items		(1.9)		(0.4)	(1.4)
Effect of prior year adjustments		0.7		0.6	0.2
<b>Income tax</b>	<b>20.8%</b>	<b>(13.1)</b>	<b>17.6%</b>	<b>(8.8)</b>	<b>320bps</b> (4.4)
<i>Of which:</i>					
Current tax expense	19.5%	(12.3)	26.4%	(13.1)	0.8
Deferred tax (expense)/ income	1.3%	(0.8)	-8.8%	4.4	(5.2)

<sup>1</sup> Figures for 2019 include the impact of IFRS16

Deferred tax expense includes an amount of EUR 4.8 million relating to the gain on the fair value of the bond early redemption option. Normalised effective tax rate was 18.6%.



## Specification of the impact of IFRS16 and Adjusting items

(EUR million)

	H1 2019				
	As reported (incl IFRS16)	Adjustments	Adjusted (incl IFRS16)	IFRS16 impact	Adjusted (excl IFRS16)
Revenue	252.7	-	252.7	(0.8)	253.5
Staff expenses	(116.2)	(0.3)	(115.9)	0.3	(116.2)
Rental expenses	(4.1)	-	(4.1)	8.3	(12.5)
Other operating expenses	(37.0)	(9.9)	(27.2)	-	(27.2)
Other operating income	0.1	-	0.1	-	0.1
Depreciation and amortisation of other intangible assets	(13.4)	-	(13.4)	(7.7)	(5.7)
Amortisation of acquisition-related intangible assets	(21.3)	(21.3)	-	-	-
<b>Profit/(loss) from operating activities</b>	<b>60.7</b>	<b>(31.6)</b>	<b>92.3</b>	<b>0.2</b>	<b>92.1</b>
Financial income	22.1	21.4	0.7	0.3	0.4
Financial expense	(19.7)	(1.4)	(18.3)	(1.6)	(16.7)
<b>Financial result</b>	<b>2.4</b>	<b>20.0</b>	<b>(17.5)</b>	<b>(1.2)</b>	<b>(16.3)</b>
Share of profit of associate (net of tax)	0.0	-	0.0	-	0.0
<b>Profit/(loss) before income tax</b>	<b>63.2</b>	<b>(11.6)</b>	<b>74.8</b>	<b>(1.0)</b>	<b>75.8</b>
Income tax	(13.1)	(4.5)	(8.6)	0.1	(8.7)
<b>Profit/(loss) after tax</b>	<b>50.0</b>	<b>(16.1)</b>	<b>66.1</b>	<b>(1.0)</b>	<b>67.1</b>
Profit/(loss) for the year after tax attributable to:					
Owners of the Company	50.0	(16.1)	66.1	(1.0)	67.1
Non-controlling interests	0.0	-	0.0	-	0.0
<b>Profit/(loss)</b>	<b>50.0</b>	<b>(16.1)</b>	<b>66.1</b>	<b>(1.0)</b>	<b>67.1</b>
Basic earnings per share (EUR)	0.56		0.74		0.75
Diluted earnings per share (EUR)	0.55		0.73		0.74

(EUR million)

	30.06.2019		
	30.06.2019 (incl IFRS16)	IFRS16 impact	30.06.2019 (excl IFRS16)
Acquisition-related intangible assets	1,726.4	-	1,726.4
Other intangible assets	15.3	-	15.3
Property, plant and equipment	88.3	(72.9)	15.3
Total working capital	(17.7)	(0.1)	(17.8)
Other assets	43.2	(16.0)	27.3
<b>Total Capital employed (Operational)</b>	<b>1,855.5</b>	<b>(89.0)</b>	<b>1,766.4</b>
Total equity	742.2	(3.5)	738.8
Net debt	937.7	-	937.7
Provisions, deferred taxes and other liabilities	175.5	(85.6)	89.9
<b>Total Capital employed (Finance)</b>	<b>1,855.5</b>	<b>(89.0)</b>	<b>1,766.4</b>

# Intertrust Group Interim Financial Report 30 June 2019

## (Unaudited)

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## Interim Management Board report

### Introduction

Intertrust N.V. (the "Company") and its subsidiaries (together referred to as the "Group") is a global leader in providing tech-enabled corporate and fund solutions to clients. The Company has 3,327 FTEs working in its offices across more than 30 jurisdictions.

On 17 June 2019 the Group acquired 100% of the shares and voting rights in Viteos, a provider of leading-edge technology solutions for U.S. funds, from PPC Enterprises LLC, FiveW Capital LLC (an affiliate of 22C Capital) and Viteos management. Reported numbers include the results of Viteos operations from 18 June to 30 June 2019. Viteos is included in the Americas segment and in Funds as of this date. Only for the purpose of calculating underlying percentage change, Viteos revenue and EBITA are included in full for H1 2018 and H1 2019, in line with company reporting policy. Please find more details in our interim financial statements [Note 9](#).

### Intertrust outlook 2019

Guidance for 2019 is confirmed and unchanged except for the effective tax rate following the acquisition of Viteos:

- Underlying revenue growth of 3 - 5%, excluding Viteos;
- Adjusted EBITA margin of at least 36%;
- Capex around 2% of revenue;
- Effective tax rate of around 21%;
- Dividend of at least 40% of adjusted net income.

### Financial review for the six-month period ended 30 June 2019

In the first half of 2019, the Group generated revenue of EUR 252.7 million, which is EUR 11.1 million higher compared to EUR 241.6 million in the same period of 2018. Revenue growth was mainly driven by Americas (+5% underlying including Viteos, +10.2% as reported) and Rest of the World (+5.7% underlying, +6.8% as reported). In Western Europe, revenue increased slightly by 0.9% on an underlying basis year-on-year, +1% as reported basis year-on-year. Revenue growth in Americas was fully related to the Viteos acquisition. Viteos revenue and expenses are included as of 18 June 2019. Excluding the acquisition, revenue in Americas declined 1.4% underlying and increased 5.6% as reported.

EBITA margin was 32.5% for the first half year of 2019, compared to 35.0% EBITA margin for the same period in 2018. The decrease is largely related to higher IT and transaction related expenses.

### Staff expenses

Staff expenses increased EUR 7.6 million year-on-year to EUR 116.2 million. Staff expenses consist mainly of EUR 90.6 million in salaries and wages in the six months ended 30 June 2019 (2018: EUR 84.1 million) and EUR 1.9 million of equity-settled share-based payments (2018: EUR 2.5 million). On a constant currency basis, staff expenses increased by EUR 7.8 million or 6.6%.

### Rental and other operating expenses

Rental expenses changed significantly due to the transition to IFRS16 as of 1 January 2019. Under IFRS16 rental contracts are no longer classified as rental expenses, but are included in depreciation and interest expenses. Other operating expenses increased mainly as a result of the cost incurred in relation to the Viteos acquisition.

### Depreciation and amortisation

Depreciation and amortisation charges of other intangibles were largely impacted by IFRS16 as explained under rental expenses. Excluding this impact, depreciation and amortisation charges were stable. The amortisation of acquisition related

intangibles increased due to foreign currency impact (EUR 0.3 million) and by the amortisation of Viteos related intangibles (EUR 0.3 million).

### Operating result

Profit from operating activities in the first half of 2019 decreased by EUR 3.5 million year-on-year to EUR 60.7 million, mainly due to higher staff expenses and expenses relating to the acquisition of Viteos.

### Financial result

As a result of the adoption of IFRS16, the financial result as of 1 January 2019 included lease related interest income and expenses. Excluding the impact of IFRS16, the financial result increased by EUR 18.3 million to EUR 3.7 million positive in the first half of 2019 from EUR 14.6 million negative in the same period last year. This increase is mainly due to the fair value adjustment of our bond early redemption option amounting to EUR 21.4 million.

The breakdown of the financial result for the period ended 30 June 2019 is as follows:

- Bank interest of EUR 14.4 million (2018: EUR 11.9 million);
- Amortisation of financing fees EUR 1.5 million (2018: EUR 1.8 million);
- Net foreign exchange losses of EUR 0.2 million (2018: net foreign exchange losses of EUR 0.1 million);
- Net change in fair value of financial liabilities excluding the bond option revaluation, of EUR 1.3 million negative (2018: EUR 0.4 million);
- Financial lease related interest income and expenses in net of EUR 1.2 million expense (2018: nil);
- Bond option revaluation of EUR 21.4 million income (2018: nil);
- Other costs of EUR 0.5 million (2018: EUR 0.3 million).

### Income taxes

The income tax expense increased by EUR 4.4 million year-on-year to an income tax charge of EUR 13.1 million mainly related to the deferred tax on the bond option revaluation and resulting in an effective tax rate of 20.8% (2018: 17.6%).

### Cash flow

In the first half of 2019, operating cash flow decreased by EUR 7.9 million, or 8.3%, compared to the same period of 2018, mainly due to a one-off positive working capital inflow impact in the first half of 2018. Cash flow from investing activities was EUR 256.6 million negative in half year 2019 due to the Viteos acquisition. Cash flow from financing activities of EUR 151.6 million positive relates mainly to the increase of the bank borrowings in the first half of 2019. Final dividend of 2018 was paid in June 2019 amounting to EUR 28.6 million.

### Related party transactions

For related party transactions, please refer to [note 16](#) of our interim financial report.

### Principal risks and uncertainties of the first half of 2019

In the Annual Report 2018, 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 2019 and believe that the risk categories and risk factors identified are in line with those presented in the Annual Report 2018. Those are deemed incorporated and repeated in this report by reference. In addition, going forward our ability to successfully integrate Viteos will be a new risk. 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.

### 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 review of the information required pursuant to section 5:25d(8)/(9) of the Financial Supervision Act.

Amsterdam, 31 July 2019

**The Management Board**

Stephanie Miller, CEO

Hans Turkesteen, CFO

## Condensed consolidated interim statement of profit or loss

(EUR 000)	Note	Q2		H1	
		2019	2018	2019	2018
Revenue	5	127,863	121,542	252,739	241,605
Staff expenses	6	(59,101)	(54,660)	(116,208)	(108,584)
Rental expenses	15	(2,261)	(6,061)	(4,133)	(12,044)
Other operating expenses		(21,222)	(17,499)	(37,033)	(30,819)
Other operating income		57	11	80	51
Depreciation and amortisation of other intangible assets	15	(6,710)	(2,775)	(13,361)	(5,557)
Amortisation of acquisition-related intangible assets		(10,803)	(10,217)	(21,341)	(20,364)
<b>Profit/(loss) from operating activities</b>		<b>27,823</b>	<b>30,341</b>	<b>60,743</b>	<b>64,288</b>
Financial income	11	18,518	156	22,107	184
Financial expense		(9,487)	(7,250)	(19,679)	(14,786)
<b>Financial result</b>		<b>9,031</b>	<b>(7,094)</b>	<b>2,428</b>	<b>(14,602)</b>
Share of profit of associate (net of tax)		15	32	15	41
<b>Profit/(loss) before income tax</b>		<b>36,869</b>	<b>23,279</b>	<b>63,186</b>	<b>49,727</b>
Income tax		(8,259)	(4,267)	(13,145)	(8,751)
<b>Profit/(loss) after tax</b>		<b>28,610</b>	<b>19,012</b>	<b>50,041</b>	<b>40,976</b>
Profit/(loss) for the year after tax attributable to:					
Owners of the Company		28,614	19,002	50,048	40,956
Non-controlling interests		(4)	10	(7)	20
<b>Profit/(loss)</b>		<b>28,610</b>	<b>19,012</b>	<b>50,041</b>	<b>40,976</b>
Basic earnings per share (EUR)	7	0.32	0.22	0.56	0.46
Diluted earnings per share (EUR)	7	0.31	0.21	0.55	0.45

Quarterly figures are neither audited, nor reviewed.

## Condensed consolidated interim statement of comprehensive income

(EUR 000)	Note	Q2		H1	
		2019	2018	2019	2018
<b>Profit/(loss) after tax</b>		<b>28,610</b>	<b>19,012</b>	<b>50,041</b>	<b>40,976</b>
Actuarial gains and losses on defined benefit plans		(265)	174	(265)	174
<b>Items that will never be reclassified to profit or loss</b>		<b>(265)</b>	<b>174</b>	<b>(265)</b>	<b>174</b>
Foreign currency translation differences - foreign operations	11	(14,067)	12,232	289	8,860
Movement on cash flow hedges in other comprehensive income		(2,143)	2	(3,911)	484
Income tax on movement on cash flow hedges in other comprehensive income		-	-	(312)	(120)
<b>Items that are or may be reclassified to profit or loss</b>		<b>(16,210)</b>	<b>12,234</b>	<b>(3,934)</b>	<b>9,224</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(16,475)</b>	<b>12,408</b>	<b>(4,199)</b>	<b>9,398</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>12,135</b>	<b>31,420</b>	<b>45,842</b>	<b>50,374</b>
<i>Total comprehensive income/(loss) for the year attributable to:</i>					
Owners of the Company		12,135	31,409	45,850	50,353
Non-controlling interests		-	11	(8)	21
<b>Total comprehensive income/(loss) for the year</b>		<b>12,135</b>	<b>31,420</b>	<b>45,842</b>	<b>50,374</b>

Quarterly figures are neither audited, nor reviewed.

The amounts for the period ended 30 June 2019 have been prepared including the impact of IFRS16; prior period amounts have not been restated (refer to [Basis of preparation](#)).

The [Notes on pages 18 to 29](#) are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim statement of financial position

(EUR 000)	Note	30.06.2019	31.12.2018
<b>Assets</b>			
Property, plant and equipment		88,256	14,580
Other intangible assets		15,275	15,289
Acquisition-related intangible assets	8	1,726,382	1,451,836
Investments in equity-accounted investees		164	149
Other non current financial assets	11,15	40,779	2,404
Deferred tax assets		7,185	2,159
<b>Non-current assets</b>		<b>1,878,041</b>	<b>1,486,417</b>
Trade receivables		84,074	90,478
Other receivables		26,387	18,422
Work in progress		35,024	34,228
Current tax assets		1,010	4,836
Other current financial assets		2,280	521
Prepayments		11,434	8,233
Cash and cash equivalents		94,725	127,803
<b>Current assets</b>		<b>254,934</b>	<b>284,521</b>
<b>Total assets</b>		<b>2,132,975</b>	<b>1,770,938</b>
<b>Equity</b>			
Share capital		54,190	53,853
Share premium		630,441	630,441
Reserves		(39,029)	(39,294)
Retained earnings		96,390	73,546
<b>Equity attributable to owners of the Company</b>		<b>741,992</b>	<b>718,546</b>
Non-controlling interests		249	257
<b>Total equity</b>	<b>10</b>	<b>742,241</b>	<b>718,803</b>
<b>Liabilities</b>			
Loans and borrowings		907,232	774,927
Other non current financial liabilities	15	76,614	3,664
Employee benefits liabilities		1,590	929
Deferred income		4,712	5,362
Provisions		623	699
Deferred tax liabilities		93,543	69,330
<b>Non-current liabilities</b>		<b>1,084,314</b>	<b>854,911</b>
Loans and borrowings		110,503	2,433
Other current financial liabilities	15	17,617	1,555
Deferred income		76,264	68,251
Provisions		1,742	4,125
Current tax liabilities		31,698	31,478
Trade payables		7,181	8,375
Other payables		61,415	81,007
<b>Current liabilities</b>		<b>306,420</b>	<b>197,224</b>
<b>Total liabilities</b>		<b>1,390,734</b>	<b>1,052,135</b>
<b>Total equity and liabilities</b>		<b>2,132,975</b>	<b>1,770,938</b>

The amounts for the period ended 30 June 2019 have been prepared including the impact of IFRS16; prior period amounts have not been restated (refer to [Basis of preparation](#)).

The [Notes](#) on pages [18](#) to [29](#) are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim statement of changes in equity

(EUR 000)	Note	For the period ended 30 June 2019								
		Attributable to owners of the Company							Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total		
Balance at 01 January 2019		53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803
Profit/(loss)		-	-	50,048	-	-	-	50,048	(7)	50,041
Other comprehensive income/(loss) for the year, net of tax		-	-	(265)	290	(4,223)	-	(4,198)	(1)	(4,199)
<b>Total comprehensive income/(loss) for the year</b>		-	-	49,783	290	(4,223)	-	45,850	(8)	45,842
<i>Contributions and distributions</i>										
Business Combinations		337	-	(337)	-	-	-	-	-	-
Equity-settled share based payment		-	-	1,807	-	-	-	1,807	-	1,807
Treasury shares delivered		-	-	(4,198)	-	-	4,198	-	-	-
Dividend paid		-	-	(28,638)	-	-	-	(28,638)	-	(28,638)
<b>Total contributions and distributions</b>		337	-	(31,366)	-	-	4,198	(26,831)	-	(26,831)
<b>Total transactions with owners of the Company</b>		337	-	(31,366)	-	-	4,198	(26,831)	-	(26,831)
IFRS16 opening balance adjustment		-	-	4,427	-	-	-	4,427	-	4,427
<b>Total opening balance sheet adjustment</b>		-	-	4,427	-	-	-	4,427	-	4,427
<b>Balance at 30 June 2019</b>	<b>10</b>	<b>54,190</b>	<b>630,441</b>	<b>96,390</b>	<b>(29,555)</b>	<b>(5,161)</b>	<b>(4,313)</b>	<b>741,992</b>	<b>249</b>	<b>742,241</b>

  

(EUR 000)	Note	For the period ended 30 June 2018								
		Attributable to owners of the Company							Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total		
Balance at 01 January 2018		55,200	630,441	75,585	(41,437)	(545)	(14,326)	704,918	225	705,143
Profit/(loss)		-	-	40,956	-	-	-	40,956	20	40,976
Other comprehensive income/(loss) for the year, net of tax		-	-	174	8,859	364	-	9,397	1	9,398
<b>Total comprehensive income/(loss) for the year</b>		-	-	41,130	8,859	364	-	50,353	21	50,374
<i>Contributions and distributions</i>										
Equity-settled share based payment		-	-	2,435	-	-	-	2,435	-	2,435
Purchase of treasury shares		-	-	-	-	-	(36,011)	(36,011)	-	(36,011)
Treasury shares delivered		-	-	(858)	-	-	858	-	-	-
Dividend paid		-	-	(29,401)	-	-	-	(29,401)	-	(29,401)
<b>Total contributions and distributions</b>		-	-	(27,824)	-	-	(35,153)	(62,977)	-	(62,977)
<b>Total transactions with owners of the Company</b>		-	-	(27,824)	-	-	(35,153)	(62,977)	-	(62,977)
IFRS 9 opening balance adjustment		-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
<b>Total opening balance sheet adjustment</b>		-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
<b>Balance at 30 June 2018</b>	<b>10</b>	<b>55,200</b>	<b>630,441</b>	<b>87,689</b>	<b>(32,578)</b>	<b>(181)</b>	<b>(49,479)</b>	<b>691,092</b>	<b>246</b>	<b>691,338</b>

The amounts for the period ended 30 June 2019 have been prepared including the impact IFRS16; prior period amounts have not been restated (refer to Basis of preparation).

The Notes on pages 18 to 29 are an integral part of these condensed consolidated interim financial statements.



## Condensed consolidated interim statement of cash flows

(EUR 000)	Q2		H1	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit/(loss) for the period	28,610	19,012	50,041	40,976
<i>Adjustments for:</i>				
Income tax expense	8,259	4,267	13,145	8,751
Share of profit of associate (net of tax)	(15)	(32)	(15)	(41)
Financial result	(9,031)	7,094	(2,428)	14,602
Depreciation and amortisation of other intangible assets	6,710	2,775	13,361	5,557
Amortisation of acquisition-related intangible assets	10,803	10,217	21,341	20,364
(Gain)/loss on sale of non-current assets	8	38	8	61
Other non cash items	(128)	1,169	1,420	2,095
	<b>45,216</b>	<b>44,540</b>	<b>96,873</b>	<b>92,365</b>
<i>Changes in:</i>				
(Increase)/decrease in trade working capital	550	(4,686)	19,983	22,654
(Increase)/decrease in other working capital	(6,941)	(7,280)	(14,568)	(12,578)
(Decrease)/increase in provisions	(269)	2,298	(2,146)	2,080
Changes in foreign currency	(1,060)	(986)	(1,066)	(437)
	<b>37,496</b>	<b>33,886</b>	<b>99,076</b>	<b>104,084</b>
Income tax paid	(10,128)	(6,336)	(11,651)	(8,794)
<b>Net cash from/(used in) operating activities</b>	<b>27,368</b>	<b>27,550</b>	<b>87,425</b>	<b>95,290</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	-	9	-	11
Purchase of property, plant & equipment	(519)	(827)	(864)	(1,347)
Purchase of intangible assets	(1,458)	(1,062)	(2,623)	(1,534)
Acquisitions, net of cash acquired	(250,477)	(5,000)	(252,977)	(5,000)
(Increase)/decrease in other financial assets	(326)	(61)	(596)	673
Dividends received	-	-	93	75
Interest received	256	156	396	184
<b>Net cash from/(used in) investing activities</b>	<b>(252,524)</b>	<b>(6,785)</b>	<b>(256,571)</b>	<b>(6,938)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	242,146	13,151	242,172	13,102
Acquisition of treasury shares	-	(16,048)	-	(37,040)
Payment of financing costs	(1,589)	(25)	(1,816)	(50)
Repayment of loans and borrowings following acquisitions	(37,151)	-	(37,151)	-
Change in financial lease liabilities/assets	(4,103)	-	(8,175)	-
Interest and other finance expenses paid	(11,714)	(6,589)	(14,790)	(12,492)
Dividends paid	(28,638)	(29,401)	(28,638)	(29,401)
<b>Net cash from/(used in) financing activities</b>	<b>158,951</b>	<b>(38,912)</b>	<b>151,602</b>	<b>(65,881)</b>
<b>Net increase/(decrease) in cash</b>	<b>(66,205)</b>	<b>(18,147)</b>	<b>(17,544)</b>	<b>22,471</b>
Cash attributable to the Company at the beginning of the period	156,515	96,421	105,506	56,157
Effect of exchange rate fluctuations on cash attributable to the Company	(1,262)	1,700	1,086	1,346
<b>Cash attributable to the Company at the end of the period</b>	<b>89,048</b>	<b>79,974</b>	<b>89,048</b>	<b>79,974</b>
Cash held on behalf of clients at the end of the period	5,677	11,630	5,677	11,630
<b>Cash and cash equivalents at the end of the period</b>	<b>94,725</b>	<b>91,604</b>	<b>94,725</b>	<b>91,604</b>

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

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

Quarterly figures are neither audited, nor reviewed.

The amounts for the period ended 30 June 2019 have been prepared including the impact IFRS16; prior period amounts have not been restated (refer to Basis of preparation).

The Notes on pages 18 to 29 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 2019 to 30 June 2019 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 2019, the Group had operations in over 30 jurisdictions. The Company employed 3,327 FTEs (full-time equivalent employees) (30 June 2018: 2,485 FTEs).

### 2. Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2019 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 2018, 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 2018 (part of the "Annual Report 2018"). This is the first set of the Group's financial statements in which IFRS16 has been applied. Changes to significant accounting policies are described in [Note 15](#).

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

These condensed consolidated interim financial statements were authorised for issue by the Management Board on 31 July 2019.

### 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 2018 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 2019, have been adopted by the Group from 1 January 2019.

These standards and interpretations had no material impact for the group except IFRS16, which is disclosed under [Note 15](#).

### New standards and interpretations issued but not yet adopted

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2018 have not yet been adopted and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2018. No significant changes to the disclosures are recognised at this stage.

IFRS16 'Leases', published in January 2016, introduces a new definition of a lease and eliminates the current dual accounting model for lessees, bringing most leases on-balance in the financial statements of the lessee. It replaces existing guidance on leases, including IAS 17. The Group implemented IFRS16 per 1 January 2019. The Group has a significant number of operating lease contracts, mainly for real estate, and therefore the transition to IFRS16 had a significant impact on our balance sheet and to the opening equity. A more detailed impact assessment is disclosed under Note 15.

## 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 2018. In addition with the adoption of IFRS16, significant estimates are made on the lease assets and liabilities which are disclosed in note 15.

## 5. Operating segments

### 5.1. Basis for segmentation

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

The analysis of the business is organised on and managed from a geographical perspective. From 1 January 2019, the revenue breakdown reflects Intertrust's new reporting structure.

As of Q1 2019 Intertrust reports on three segments consisting of the following jurisdictions:

- Western Europe: Belgium, Germany, Luxembourg, Netherlands, Switzerland and France (as of Q2 2019).
- Americas: Bahamas, Brazil, BVI, Canada, Cayman Islands, Curacao, USA and India (as of Q2 2019).
- Rest of the World: Australia, China, Cyprus, Denmark, Finland, Guernsey, Hong Kong, Ireland, Japan, Jersey, Norway, Singapore, Spain, Sweden, Turkey, UAE and UK. The revenues of the interim financial statements of 2019 based on the new reporting structure have been adjusted for comparison purposes.

The reconciliation table below shows the restated 2018 segmentation:

(EUR 000)	Q2				H1			
	2018 presented in 2019		2018		2018 presented in 2019		2018	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Netherlands	-	0%	27,758	23%	-	0%	56,662	23%
Luxembourg	-	0%	26,774	22%	-	0%	53,052	22%
Western Europe	56,773	47%	-	0%	114,298	47%	-	0%
Americas <sup>1</sup>	19,526	16%	20,567	17%	37,693	16%	39,592	16%
Jersey	-	0%	14,377	12%	-	0%	29,147	12%
Rest of the World <sup>1</sup>	45,243	37%	32,066	26%	89,614	37%	63,152	26%
<b>Segment Revenue</b>	<b>121,542</b>	<b>100%</b>	<b>121,542</b>	<b>100%</b>	<b>241,605</b>	<b>100%</b>	<b>241,605</b>	<b>100%</b>

<sup>1</sup> Part of the business responsibilities were re-allocated from the Americas to ROW

(EUR 000)	Q2				H1			
	2018 presented in 2019		2018		2018 presented in 2019		2018	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	-	0%	16,454	37%	-	0%	33,742	38%
Luxembourg	-	0%	15,262	34%	-	0%	30,271	34%
Western Europe	31,878	71%	-	0%	64,624	72%	-	0%
Americas <sup>1</sup>	10,727	24%	11,156	25%	20,648	23%	21,360	24%
Jersey	-	0%	6,934	16%	-	0%	14,491	16%
Rest of the World <sup>1</sup>	19,202	43%	12,001	27%	38,337	43%	23,745	26%
Group HQ and IT costs	(17,117)	-38%	(17,117)	-38%	(33,654)	-37%	(33,654)	-37%
<b>Segment Adjusted EBITA</b>	<b>44,690</b>	<b>100%</b>	<b>44,690</b>	<b>100%</b>	<b>89,955</b>	<b>100%</b>	<b>89,955</b>	<b>100%</b>

<sup>1</sup> Part of the business responsibilities were re-allocated from the Americas to ROW

Quarterly figures are neither audited, nor reviewed.

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

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

Adjusted EBITA by operating segment excludes the allocation of Group HQ and IT costs, which are deducted from the Group total. The revenue and EBITA from Viteos are reported under Americas.

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

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

## 5.2. Information about reportable segments

(EUR 000)	Q2				H1			
	2019 <sup>1</sup>		2018		2019 <sup>1</sup>		2018	
	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue	Revenue	% Revenue
Western Europe	57,409	45%	56,773	47%	115,476	46%	114,298	47%
Rest of the World	48,843	38%	45,243	37%	95,713	38%	89,614	37%
Americas	21,611	17%	19,526	16%	41,550	16%	37,693	16%
<b>Segment Revenue</b>	<b>127,863</b>	<b>100%</b>	<b>121,542</b>	<b>100%</b>	<b>252,739</b>	<b>100%</b>	<b>241,605</b>	<b>100%</b>

<sup>1</sup> Figures for 2019 include the impact of IFRS16

(EUR 000)	Q2				H1			
	2019 <sup>1</sup>		2018		2019 <sup>1</sup>		2018	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Western Europe	31,949	68%	31,878	71%	64,804	70%	64,624	72%
Rest of the World	21,625	46%	19,202	43%	42,302	46%	38,337	43%
Americas	11,248	24%	10,727	24%	20,962	23%	20,648	23%
Group HQ and IT costs (*)	(17,988)	-38%	(17,117)	-38%	(35,772)	-39%	(33,654)	-37%
<b>Segment Adjusted EBITA</b>	<b>46,834</b>	<b>100%</b>	<b>44,690</b>	<b>100%</b>	<b>92,296</b>	<b>100%</b>	<b>89,955</b>	<b>100%</b>

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

<sup>1</sup> Figures for 2019 include the impact of IFRS16

Quarterly figures are neither audited, nor reviewed.

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

## 5.3. Seasonality

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

## 6. Staff expenses

(EUR 000)	Q2		H1	
	2019	2018	2019	2018
Salaries and wages	(46,210)	(42,834)	(90,569)	(84,140)
Social security contributions	(4,554)	(4,170)	(9,342)	(8,565)
Pensions and benefits	(2,367)	(1,965)	(4,573)	(4,130)
Rollover share-based payment	(249)	-	(249)	-
Share-based payment upon IPO	-	(341)	-	(502)
Share-based payment upon integration	-	16	(80)	(82)
Share-based payment long term incentive plan	(669)	(1,053)	(1,537)	(1,898)
Other personnel expenses	(5,052)	(4,313)	(9,858)	(9,267)
<b>Staff expenses</b>	<b>(59,101)</b>	<b>(54,660)</b>	<b>(116,208)</b>	<b>(108,584)</b>

Quarterly figures are neither audited, nor reviewed.

The number of FTEs (full time equivalent employees) at period ended 30 June 2019 amounted to 3,327 (period ended 30 June 2018: 2,485). Average number of employees amounted to 3,290 in the first half of 2019 (2018 same period: 2,476).

### Share-based payment arrangements

As part of the Viteos acquisition, management of the acquired entity agreed to roll-over their shares restricted to Intertrust Group shares which would vest in three equal annual installments following the acquisition date. In line with IFRS2, this

amount is flowing through the Profit and Loss accounts and recorded as specific item. The amount in the six months ended 30 June 2019 was EUR 249 thousand.

In April 2019, the Group granted 290,605 stock options under the share-based payment Long Term Incentive Plan ("LTIP") for employees (in April 2018 403,774). The new 2019 LTIP is different from the previous plans as follows:

- Vesting is unconditional except for continued employment;
- Vesting is in equal thirds: 1/3rd in April 2020, 1/3rd in April 2021 and 1/3rd in April 2022.

For the key management personnel, the new grants contain performance criteria, though all other details match with the above details.

Regarding the 2017 and 2018 LTIPs which would vest in in April 2020 and April 2021 respectively, the following changes were made after the approval by the Supervisory Board on 12 June 2019:

- 25% of the original granted amount will not vest and are accounted as accelerated vesting;
- the remaining 75% of the original granted amount will not have performance criteria attached to them but are still subject to continuous employment;
- instead of vesting after three years, the grants will vest in equal thirds over a period of three years, starting in April 2019 (2017 LTIP) and April 2020 (2018 LTIP). However costs will be accounted following the old vesting periods in line with IFRS 2.

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

For further information on our share-based compensation, reference is made to note 7 in our Annual Report 2018.

## 7. Earnings per share

Earnings per share	Q2		H1	
	2019	2018	2019	2018
Basic earnings per share (euro)	0.32	0.22	0.56	0.46
Diluted earnings per share (euro)	0.31	0.21	0.55	0.45
Adjusted basic earnings per share (euro)	0.38	0.37	0.75	0.74

Quarterly figures are neither audited, nor reviewed.

### 7.1. Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders of EUR 50,048 thousand for the six months ended 30 June 2019 (for the six months ended 30 June 2018: EUR 40,956 thousand) and weighted-average number of ordinary shares of 89,407,231 for the six months ended 30 June 2019 (for the six months ended 30 June 2018: 89,779,964).

### 7.2. 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 779,968 for the six months ended 30 June 2019 (for the six months ended 30 June 2018: 1,295,046).

### 7.3. Adjusted net income per share

The Group calculates the Adjusted net income for the six months ended 30 June 2019 to be EUR 67,1 million (for the six months ended 30 June 2018: EUR 66,8 million). Adjusted net income is defined as Adjusted EBITA, less net interest costs of EUR 16.3 million (for the six months ended 30 June 2018: EUR 14.5 million) and less tax costs of EUR 8.7 million (for the six months ended 30 June 2018: EUR 8.8 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the six months ended 30 June 2019 of 89,407,231 (for the six months ended 30 June 2018: 89,779,964), the adjusted net income per share is EUR 0.75 (for the six months ended 30 June 2018: EUR 0.74).

## 8. Acquisition-related intangible assets

During the six months ended 30 June 2019, there were new acquisition-related intangible assets recognised in our balance sheet. During the six-months ended 30 June 2018 there was no addition to our acquisition-related intangible assets. (Note 9).

The amortisation of acquisition-related intangible assets for the six months ended 30 June 2019 was EUR 21,341 thousand (for the six months ended 30 June 2018: EUR 20,364 thousand).

The goodwill per CGU is tested annually for impairment. As at 30 June 2019, there were no impairment indicators and no impairment testing was required for the period. The intangible assets other than goodwill were not tested for impairment because there were no impairment indicators at 30 June 2019.

## 9. Business combinations

### 2019

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

Viteos is a tech-enabled alternative funds industry leader providing end-to-end middle and back office administration for top tier hedge funds, private equity, real estate, private debt and other alternative asset managers. Viteos has approximately 715 employees and operates a global delivery model with its headquarters and sales team in the U.S. supported by Centres of Excellence in India.

The acquisition of Viteos is an acceleration of the Group's strategy to become a global leader in tech-enabled corporate and fund solutions, adding a high growth provider of leading-edge technology solutions with a top 10 position in U.S. fund administration and over 80 top tier clients. The strategic goals were as follows:

- Meaningful presence in the U.S. and increased exposure to funds - the combined group will hold a top 10 position in U.S. fund administration providing mission-critical services to asset managers.
- Accelerated growth potential - Viteos brings new clients, services and technology solutions which expand Intertrust's market potential into higher growth adjacencies with an annual market value of >EUR 3.5 billion, resulting in a total market potential in excess of EUR 10.0 billion growing at 4-6% per annum (up from EUR 6.5 billion growing at 3-5%).
- Strengthened technology foundation - Viteos is at the forefront of digitising and automating fund administration with leading-edge technologies including blockchain, workflow automation, RPA6, and digitalisation/OCR7. Leveraging these tools, the combined group will have the potential to drive incremental revenue growth through service innovation and reduce costs through service automation.
- Step towards operational excellence - building on Viteos' offshore Centres of Excellence in India will allow us to fast-track our standardisation, centralisation and shared services initiatives, improving the efficiency and quality of our services.

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

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

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

#### Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

(EUR 000)	Fair Value recognised on acquisition
Property, plant and equipment	6,528
Intangible assets	76,755
Trade receivables	4,837
Other receivables	9,268
Current tax assets	52
Deferred tax assets	3,977
Prepayments	1,487
Cash and cash equivalents	9,257
<b>Assets</b>	<b>112,161</b>
Other financial liabilities	43,992
Deferred tax liabilities	22,645
Deferred income	766
Current tax liabilities	3,035
Trade payables	675
Other payables	2,297
<b>Liabilities</b>	<b>73,410</b>
<b>Total identifiable net assets at fair value</b>	<b>38,751</b>

#### Consideration transferred and restricted share issue

The total consideration was EUR 259,451 thousand.

Intertrust N.V. issued 561,150 shares with restrictions subject to continuous employment on shares which were granted to key management of Viteos transferring to Intertrust ("Roll-over plan"). The Group has recognised in the equity these restricted shares on a nominal value of EUR 0.60, and will build the reserves for the fair value of these shares within the upcoming 3 years based on the IFRS 2 requirements for post-combination benefits. See more details on the cost in [Note 6](#).

#### Goodwill

Goodwill arising from the acquisition has been recognised as follows:

(EUR 000)	H1 2019
Consideration transferred	259,451
Fair value of identifiable net assets	(38,751)
<b>Goodwill</b>	<b>220,700</b>

#### Acquisition related expenses

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



## Impact on cash flow

(EUR 000)	H1 2019
Consideration transferred	(259,451)
Cash acquired (excluding cash on behalf of clients)	9,257
<b>Acquisition</b>	<b>(250,194)</b>
Repayment of loans	(37,151)
<b>Total impact cash</b>	<b>(287,345)</b>

### ABN AMRO's Escrow and Settlement business

On 7 February 2019 Intertrust announced the signing of the acquisition of ABN Amro's Escrow and Settlement services business. It does not have a material impact on the Company's financial position or results and the terms of the transaction are not disclosed. The transaction is subject to regulatory approvals and is expected to complete in Q3 2019. Therefore it is not accounted for the period ended 30 June 2019.

For subsequent events see [note 17](#).

## 2018

No acquisitions occurred during the six-months ended 30 June 2018.

## 10. Capital and reserves

### 10.1. Share capital

The subscribed capital from 31 December 2018 (EUR 53,853 thousand) increased to EUR 54,190 thousand as at 30 June 2019. Number of shares issued was 89,755,202 as at 31 December 2018 and due to the shares issued for the acquisition of Viteos (see further details in [note 9](#)) the number of fully paid-up shares increased to 90,316,352. There was no change in the nominal value per share of EUR 0.60.

### 10.2. Share premium

At 30 June 2019 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2018 and 30 June 2018.

### 10.3. Retained earnings

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

The final dividend for the year 2018 of EUR 0.32 per share was paid on 12 June 2019.

An interim distribution of EUR 0.30 per share over financial year 2019 will be payable on the group's ordinary shares. The payment will be subject to 15% Dutch withholding tax. The interim dividend has not been recognised as liability.

### Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 30 June 2019, the Group held 269,762 of the Company's shares (31 December 2018: 523,354). The decrease is due to share based payment grants that vested as at 1 April 2019.

## 11. Financial instruments

### Credit risk

Our internal credit risk assessment did not change compared to the disclosure Note 23 in our Annual Report 2018. With respect to the net trade receivables, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

### Liquidity risk

There has been no change in our liquidity risk assessment compared to our disclosure Note 23 in our Annual Report 2018.

### Currency risk

The Group's exposure to the risk of changes in exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's presentation currency). This did not change compared to previous year. The exposures are mainly with respect to the US dollars (USD) and Pound sterling (GBP). The loans and borrowings of the Group are denominated in Euros, Pound sterling and US Dollars. With the acquisition of Viteos, the Group will be exposed to Indian Rupie (INR) risk as well which will be addressed in the remaining part of the financial year. The impact of the limited period we consolidate INR information is limited in our interim financial statements.

In the translation of our foreign operations to our functional currency, we have recognised in the Other comprehensive income in H1 2019 EUR 0.3 million gain mainly due to the USD foreign currency being stable throughout the period.

### Interest rate risk

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

### Capital management

The capital structure of the Group changed due to the acquisition. Leverage ratio at the end of the reporting period is 4.01x also due to the pay out the final net dividend for FY 2018. This 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 2019 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 2018.

The fair value of the bond has significantly increased as well as the fair value of the early redemption option of the bond. The bond's carrying value is EUR 493.7 million versus the market quoted price is EUR 531.7 million as at 30 June 2019. The bond is accounted on amortised cost as disclosed in our Annual report 2018. 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 2019 was EUR 22.2 million compared to EUR 0.8 million as at 31 December 2018. 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 2018. The significant increase in the call-option valuation is due to decreases in (long term) market rates which is reflective of overall market conditions over H1. As such, the call option is more valuable to Intertrust as it will be more likely that the option is in-the-money on the call date.

## 12. Cash flow hedges

The balance at 30 June 2019 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 2019.

The USD and GBP hedges were assessed to be effective at 30 June 2019. Balance sheet positions recognised as assets at 30 June 2019 were nil (2018: EUR 738 thousand), and as liabilities EUR 5,159 thousand (2018: EUR 1,120 thousand).

### 13. Contingencies

There are a number of claims against the Group. We concluded that an aggregate amount of the claims (including tax and HR related) against the Group cannot be reliably measured or we consider that the possibility of outflow is not probable. Where necessary, legal and/or external advice has been obtained and, in light of such advice, the risk of litigation is provided adequately.

### 14. Commitments

In the first half of 2019, there were no material changes to the group's commitments from those disclosed in note 31 of our Annual Report 2018. The Group has initiated the acquisition of the ABN AMRO's Escrow and Settlement business which is pending approval from the Authorities. Reference is made to [Note 9](#).

### 15. Impact of IFRS16

The group has adopted IFRS16 in accordance with the modified retrospective transitional approach. The group applies the standard only to leases which were previously identified as leases under IAS 17 and IFRIC 4 in accordance with the practical expedient allowed under the standard. The leases within the group comprises only of buildings and car leases. The adoption of this standard results in leases being recognised on the balance sheet, except for short-term and low-value leases.

#### Accounting policy

At inception of a contract, the group assesses whether a contract conveys the right to control the use of an identified asset for a period in exchange for consideration, in which case it is classified as a lease. The group recognises a right-of-use asset (lease asset) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. The lease asset is subsequently depreciated using the straight-line method from the commencement date to the end of the useful life of the right-of-use asset, considered to be indicated by the strategic lease term assessed by management. The lease asset is periodically adjusted for certain remeasurements of the lease liability and impairment losses (if any). The lease liability is initially measured at the present value of outstanding lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Generally, the group uses its incremental borrowing rate ("IBR") as the discount rate. The lease liability is measured at amortised cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the group changes its assessment of whether it will exercise a purchase, extension or termination option. A corresponding adjustment is made to the carrying amount of the right-of-use asset with any excess over the carrying amount of the asset being recognised in profit or loss. The group has elected not to recognise lease assets and lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low-value assets, including IT equipment. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A sublease is a transaction for which an underlying asset is re-leased by Intertrust ('intermediate lessor') to its customers, and the lease ('head lease') between the head lessor and Intertrust remains in effect. Intertrust classify the sublease as a finance lease or an operating lease as follows:

(a) if the head lease is a short-term lease, Intertrust, as a lessee, has accounted for using the practical expedient, the sublease is classified as an operating lease.

(b) otherwise, the sublease is classified as lease asset deducting from the right-of-use asset value.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

At the date of the transitioning the group also adjusted the right-of-use asset value with the previously recognised onerous lease provisions by an amount of EUR 0.3 million.

In applying IFRS16 for the first time, the group has used the following practical expedients permitted by the standard:

- reliance on previous assessments on whether leases are onerous,
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,
- not to reassess whether a contract is, or contains a lease at the date of initial application,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

### Significant estimates

In addition to those described in the 2018 Annual Report, the adoption of IFRS16 brings additional areas that require use of judgement and estimates that are significant to the (interim) financial statements as described below.

Some leases of office buildings contain extension options exercisable by the group. Where practicable, the group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the group and not by the lessors. The group assesses whether it is reasonably certain to exercise the options at lease commencement and subsequently, if there is a change in circumstances within its control. Such assessment involves management judgement and estimate based on information at the time the assessments are made.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities was as at 1 January 2019 3.67% (30 June 2019: 3.90%). On a lessor perspective in our subleases where the group recognised transitioned assets was as at 1 January 2019 4% (30 June 2019: 4%).

### Interim financials

As at 1 January 2019, the group recognised lease assets of EUR 76.1 million, assets under sublease of EUR 16.4 million and a corresponding lease liability of EUR 88.7 million which resulted in an increase in equity of EUR 4.4 million. The assets are accounted under other non-current and current financial assets and the liabilities are accounted under other non-current and current financial liabilities in the balance sheet of the Group. Other than above mentioned onerous provisions impact, working capital was impacted as a result of payments made before the transition date or rent free periods impacting the period after transitioning. This impact was below EUR 0.3 million. The impact to the income statement for the first six

month ended 30 June 2019 is an increase in EBITA of EUR 0.2 million, including the increase in depreciation of EUR 7.7 million, and increase in finance cost of EUR 1.2 million.

The IFRS16 lease liabilities are assessed for their contractual maturity as follows:

(EUR 000)	Carrying amounts	Total	Balance at 30 June 2019				
			Due less than 6 Months	Due between 6 and 12 months	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Lease liabilities	86,090	101,911	9,701	9,437	16,570	29,188	37,015

## 16. Related parties

During the six months ended 30 June 2019, 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 2018.

## 17. Subsequent events

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

## 18. Non-IFRS Financial measures

### Definitions

For the definitions of non-financial measures we refer to the Glossary in the Annual Report 2018. Other than those defined there, we give more clarification as listed below on:

- Specific items of income or expenses are income and expenses items that, based on their significance in size or nature, should be separately presented to provide further understanding about the financial performance. Specific items include:
  - Transaction costs;
  - Integration and transformation costs;
  - Rollover share-based payment;
  - Share-based payment upon IPO;
  - Share-based payment upon integration;
  - Income/expenses related to disposal of assets.
 Specific items are not of an operational nature and do not represent the core operating results.
- Underlying is defined as current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s).
- Adjusted revenue is defined as Revenue excluding IFRS16 impact.
- EBITDA is defined as profit/(loss) from operating activities excluding depreciation and amortisation.
- Adjusted EBITDA is defined as EBITDA excluding specific items and the impact of IFRS16.
- Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation and amortisation of other intangible assets.
- Adjusted net income is defined as Adjusted EBITA less net interest costs, less tax expenses and share of profit of equity, accounted investees (net of tax) and excluding adjusting items in financial results and income taxes.
- Adjusted earnings per share is defined as adjusted net income divided by the weighted-average number of basic shares for the period.
- Net interest is defined as net finance cost excluding Forex gains and losses and fair value adjustments (for specific financial instruments) recognised in the Income Statement.
- Net debt is defined as the net of the cash and cash equivalents excluding cash on behalf of customers and gross value of the third party indebtedness.

- Leverage ratio is defined as total net debt (on "last twelve months" (LTM) average FX rates) divided by the adjusted EBITDA proforma contribution for acquisitions and full year run-rate synergies related to acquisitions and other SFA adjustments such as the addback of LTM LTIP accruals.
- Effective tax rate ("ETR") is calculated as minus one times income tax expense divided by the profit before tax of the Group.
- Capital expenditure ("Capex") is defined as investments in property, plant, equipment, software and other intangible assets not related to acquisitions.

## Review report

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

### Introduction

We have reviewed the accompanying condensed consolidated interim financial information as at 30 June 2019 of Intertrust N.V., Amsterdam, (the "Company"), which comprises the statement of financial position as at 30 June 2019, the statements of profit or loss, comprehensive income, changes in equity, and cash flows for six-month period ended 30 June 2019, and the notes, comprising a summary of the significant accounting policies and other explanatory information. The Management Board of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

### Three months interim financial information not audited or reviewed

The Company did not prepare condensed consolidated interim financial information for the three months period ended 30 June 2018 and for the three months period ended 30 June 2019 and therefore such quarterly information is not audited or reviewed. Consequently, the three months figures included in the statements of profit and loss, comprehensive income, changes in equity and cash flows and in the related notes of the condensed consolidated interim financial information as at 30 June 2019 have not been audited or reviewed.

Amstelveen, 31 July 2019

KPMG Accountants N.V.

W.G. Bakker RA