

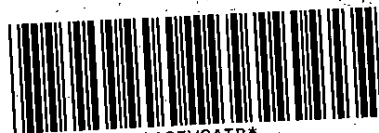
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**Intertrust**

# Annual Report 2019

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**Intertrust**

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intertrustgroup.co.uk

## Why Intertrust

Intertrust provides expert corporate and administrative business solutions to global clients in more than 30 international markets.

We support the drive for good governance and business practice in highly regulated sectors of the economy through unparalleled legal, financial and corporate services.

We invest in technology to automate and accelerate business processes, helping to ensure our clients are better equipped to succeed in a fast-paced, unpredictable and highly-connected modern world.



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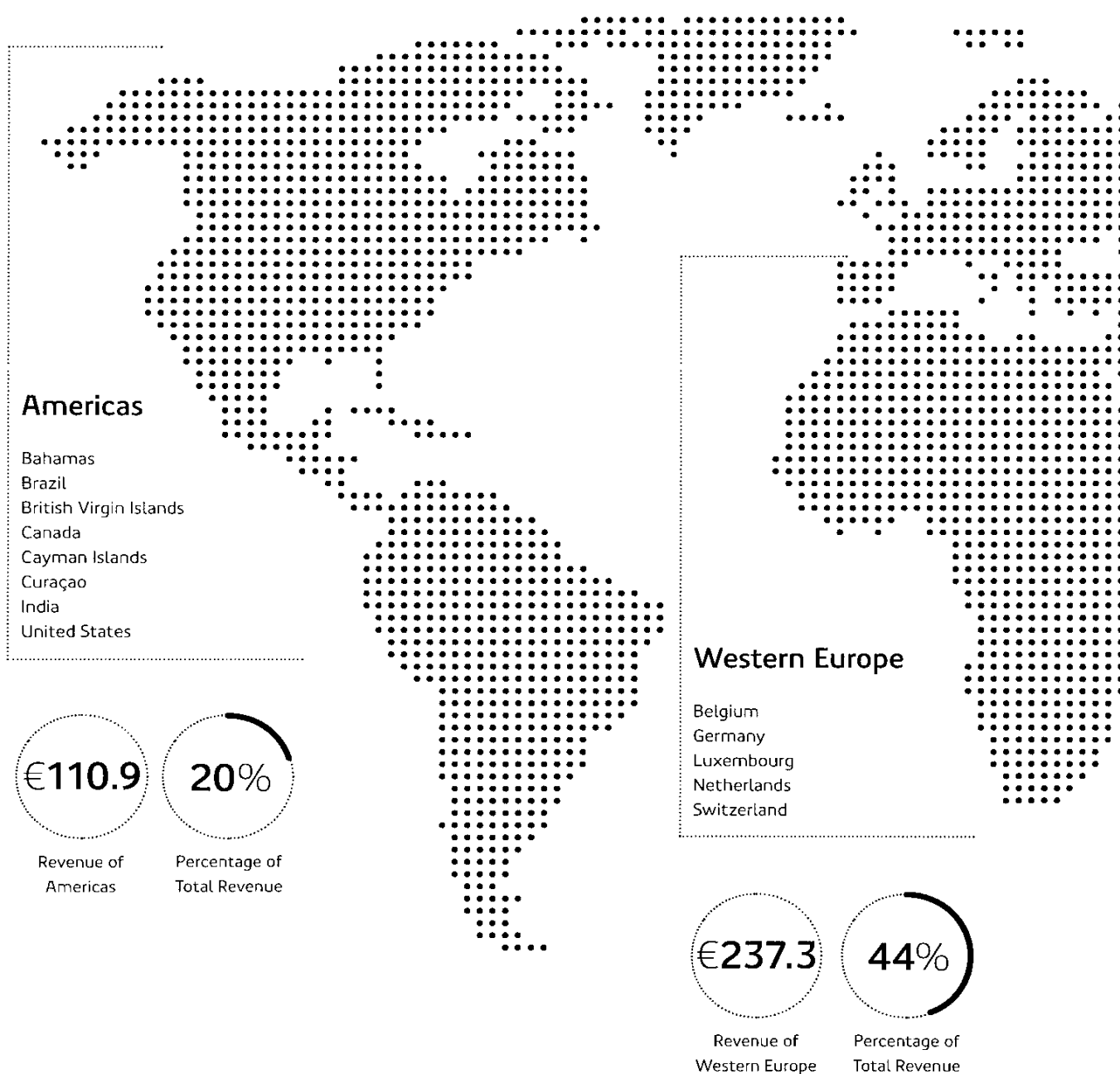
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# At a glance

Intertrust delivers high-quality, tailored corporate, fund, capital market and private wealth services to its clients, with a view to building long-term relationships. Intertrust works with global law firms and accountancy firms, multinational corporations, financial institutions, fund managers, high net worth individuals and family offices.

Intertrust reports on three geographical segments: the Americas, Western Europe and Rest of the World.



## Performance



## Strategic



## Rest of the World

Australia  
China  
Cyprus  
Denmark  
Finland  
Guernsey  
Hong Kong  
Ireland  
Japan  
Jersey  
New Zealand  
Norway  
Singapore  
Spain  
Sweden  
United Arab Emirates  
United Kingdom



Revenue of  
Rest of the World

<sup>1</sup> Yearly Engagement Survey.

<sup>2</sup> ELLA is Intertrust's global online learning platform.

# Message from the CEO

It has been a truly exciting year for Intertrust. Having set out our ambitious three-year strategy in late 2018, we wasted no time in pursuing our goal of becoming a globally renowned, market-leading, tech-enabled corporate and fund solutions provider.

2019 was characterised by healthy organic growth, the game-changing acquisition of Viteos and a significant strengthening of our technological capabilities. Our efforts have seen the Group make notable progress against all three of the pillars underpinning our strategy. These are: capturing opportunities to expand and diversify our service offering; investing in our platform; and creating an environment for people to grow, perform and succeed.

## Healthy financial results

Our operational achievements are reflected in the solid set of financial results reported for the full year. Performance across the Group was in line with expectations, with core business segments positively contributing across all key performance indicators.

Our Corporate and Funds service lines together represent 75% of our revenue. Funds reported underlying revenue growth of 10.6%, driven mainly by Luxembourg and Viteos. Our operations in Ireland, the Nordics, Spain, the UK, the Americas and Asia Pacific also grew. Our full year underlying revenue increased by 3.7% to EUR 544.9 million, while EBITA amounted to EUR 196.9 million. Our adjusted EBITA margin in the period reached 36.1%, in line with guidance of at least 36%. Strong cash generation was also achieved throughout the year, supported by effective working capital discipline. It is against this backdrop that we are proposing a final dividend of EUR 0.33 per ordinary share at our Annual General Meeting of Shareholders on 14 May 2020, resulting in a total dividend of EUR 0.63 for 2019.

## Viteos: a game-changing acquisition

The acquisition of Viteos, a top-10 US fund administration provider, represents a significant leap forward for Intertrust, allowing us to accelerate our growth strategy and take the lead in the digitalisation of our industry. With the addition of more than 700 highly skilled employees, including 130 technology experts, we have enhanced our global position in fund services

and the US, and unlocked opportunities to cross-sell products and services.

Since completion of the transaction in June, we have aligned our commercial and marketing strategies and commenced the migration of selected back office and support functions to our new Centres of Excellence in India. As the integration continues, we expect the deal to deliver tremendous benefits to our existing clients through advanced technology, a digitalised delivery model and a solution-oriented service suite. Total synergies are expected to reach USD 22 million, of which we expect to realise 20% by the end of 2020 and 90% by 2021.

## Accelerated organic innovation

We delivered significant technological advancement in 2019, not just through the acquisition of Viteos, but by successfully implementing a range of internal initiatives. The Group increased digitisation through workflow automation and we successfully completed the rollout of our global client portal (IRIS). The rollout of IRIS is the first step towards the consistent delivery of all our services in a "one-stop shop" and, looking further ahead, the first step towards client self-service. Workflow automation is also progressing well and, towards the end of the year, a proof of concept for the automation of AML/KYC services was delivered. Going forward, we expect the workflow automation process to benefit further from the tools and expertise gained through the Viteos integration.

## Nurturing a strong culture

Recognising that our people are vital to the success of our digital transformation, we took action to reinforce our capabilities and strengthen our culture, to foster engagement among our teams. As part of this process we announced a number of key appointments throughout the year and established a Senior Leadership Group to facilitate a more seamless transformation of the Group. By creating a new role of Talent Director, we further enhanced our Human Resources function which will play a key role in keeping our employees informed and engaged.

In 2019, we also launched an employee mobility scheme which offers our people opportunities to pursue new roles in different locations within Intertrust. Furthermore, we significantly



enhanced our learning and development opportunities through management training, induction and the launch of our new online training portal 'ELLA'.

### Leveraging market opportunities

While mounting regulation can be complex for our clients to navigate, it presents significant opportunities for our business and continues to drive our growth. To leverage such opportunities, during 2019 we developed tailored solutions for our clients, including our AML/KYC offering and substance compliance checker.

Once again, Brexit contributed to sustained market uncertainty throughout 2019. This led to some stagnation in the Channel Islands with many of the Group's Private Wealth clients taking a -wait and see- approach. As a regulatory event, Brexit also provides potential opportunities for the Group. Once the UK's departure from the EU has taken effect, companies will take decisions about their corporate structures and Intertrust is well positioned to facilitate their next steps.

### It's a good time to be a tech-enabled administrative services provider

2020 is set to be another exciting year as we continue to implement our key strategic initiatives and start to reap benefits from the integration of Viteos into our business.

We remain encouraged by the opportunities presented by new regulation and continuing market globalisation. Regulatory and compliance services are increasingly important to our business, as we can act as an integral gatekeeper to the world, helping clients manage their specific and often complex requirements.

In 2020, we will fully embed technology developed in the past year. We will also drive forward the automation of manual processes, particularly in the Corporates and Funds service lines, and further roll-out the automation of AML/KYC processes. Integrated risk assessment and transaction monitoring will allow us to better serve our clients in our gatekeeper role. Finally, in late 2020 we expect to reveal more about our plans to leverage technologies such as machine learning and artificial intelligence, blockchain, robotics and data analytics.

Our future success remains in the hands of our talented workforce, of which I am tremendously proud. There is a lot of work ahead of us but I remain confident in our ability to deliver our medium-term targets for the benefit of all our stakeholders.

**Stephanie Miller**  
Chief Executive Officer

# Our business model

Intertrust is a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing internationally. In this highly competitive industry, size matters. By offering a broad range of services and covering multiple jurisdictions we are able to generate significant economies of scale.

## What we do

Intertrust is a global leader in providing tech-enabled corporate and fund solutions to clients operating and investing in the international business environment. Our services, which are considered non-discretionary and mission critical from a legal, regulatory, financial, reputational and risk management perspective, are delivered through four service lines:

1. **Corporates:** We assist clients with the incorporation, management and administration of legal entities for their corporate, investment and finance transactions.
2. **Funds:** We provide services covering the incorporation and administration of funds, including private equity funds, real estate funds, hedge funds and venture capital.
3. **Capital Markets:** We provide trustee and agency services in capital markets transactions plus incorporation and management of securitisation and structured finance transactions for issuers and originators.
4. **Private Wealth:** We offer fund, trust and foundation establishment plus administration for entrepreneurs, family offices and high net worth individuals.

Across our four service lines, we offer a range of 'core' and 'specialised' services.



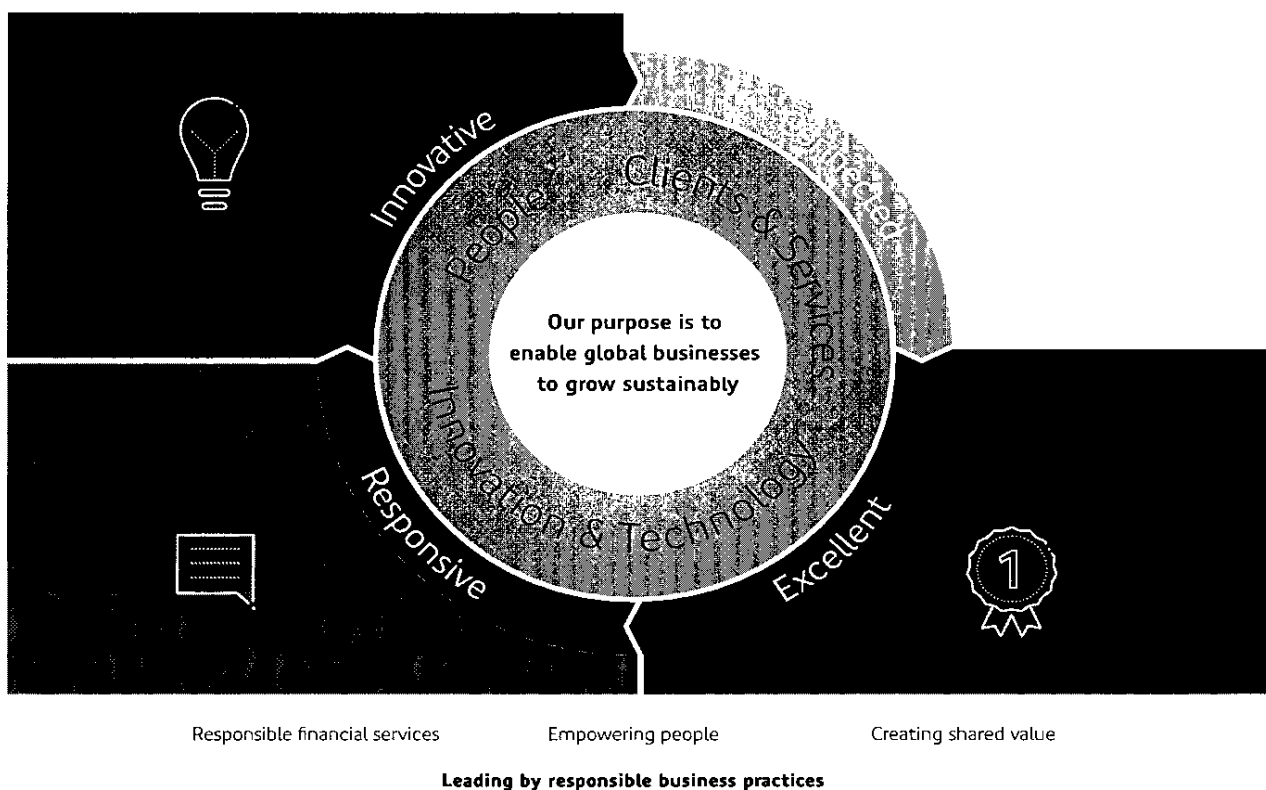
## Our business model

### Input Our key assets

<b>Global client base:</b> We work with corporates, funds, capital markets and private clients.	<b>Business Partners:</b> We cooperate with business partners including global law firms, accountancy firms and financial institutions.	<b>Employees:</b> We employ more than 3,500 financial services professionals across 46 offices in 30 countries.	<b>Regulation:</b> Our activities are driven by cross-border tax and investment treaties, legal systems and regulations.	<b>Financial:</b> Equity investors and financial institutions provide the capital base and funding.
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### Trends and growth drivers

globalisation – regulation – outsourcing – demand for quality – technology – client demands



### Output Value created and shared

<b>Clients:</b> We contribute to our clients' businesses by relieving them from their administrative burden.	<b>Investors:</b> Our strategy and strategic ambitions ensure long-term economic value creation for our investors. We aim to optimise shareholder return over time.	<b>Employees:</b> By investing in our people we develop competent and empowered financial and legal professionals.	<b>Society:</b> We are a gatekeeper and ensure our clients comply with regulatory standards in our society.
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## Core services

- **Formation and implementation services**

We offer clients an efficient way to set up new entities including the implementation of structures and arrangements for corporate, investment and finance transactions. We can also coordinate the local registrations for each of these client entities.

- **Domiciliation, management and trustee services**

We provide a registered office address or office space to our clients for the execution and operation of their business in various jurisdictions. Clients can appoint Intertrust as director, proxy-holder, authorised representative or company secretary for their entities. We can conduct day-to-day management of these entities in compliance with applicable laws and regulations. We also support our clients' operational, regulatory, governance and trustee requirements.

- **Legal and tax compliance services**

We provide compliance services in connection with our clients' legal and tax requirements, including maintaining necessary statutory records and preparing legal documentation and tax filings based on the advice of external experts and input from our clients. In principal we do not provide tax or legal advisory services as part of our general service offering. This is to avoid any conflict of interest between our services and to avoid competing with the law firms and audit firms that we rely on for the referral of new business opportunities.

- **Regulatory and compliance services**

We identify regulatory reporting obligations and review, draft and submit all the relevant reports for relevant reporting regimes. We also offer compliance consulting and outsourcing services. Compliance services include assisting clients with regulatory authorisations, licences, permits or concessions, and audits; assessing compliance infrastructure; drafting and maintaining compliance policies and procedures; and providing training. Outsourcing services include client due diligence, document management, risk identification, verification and screening.

- **Accounting and reporting services**

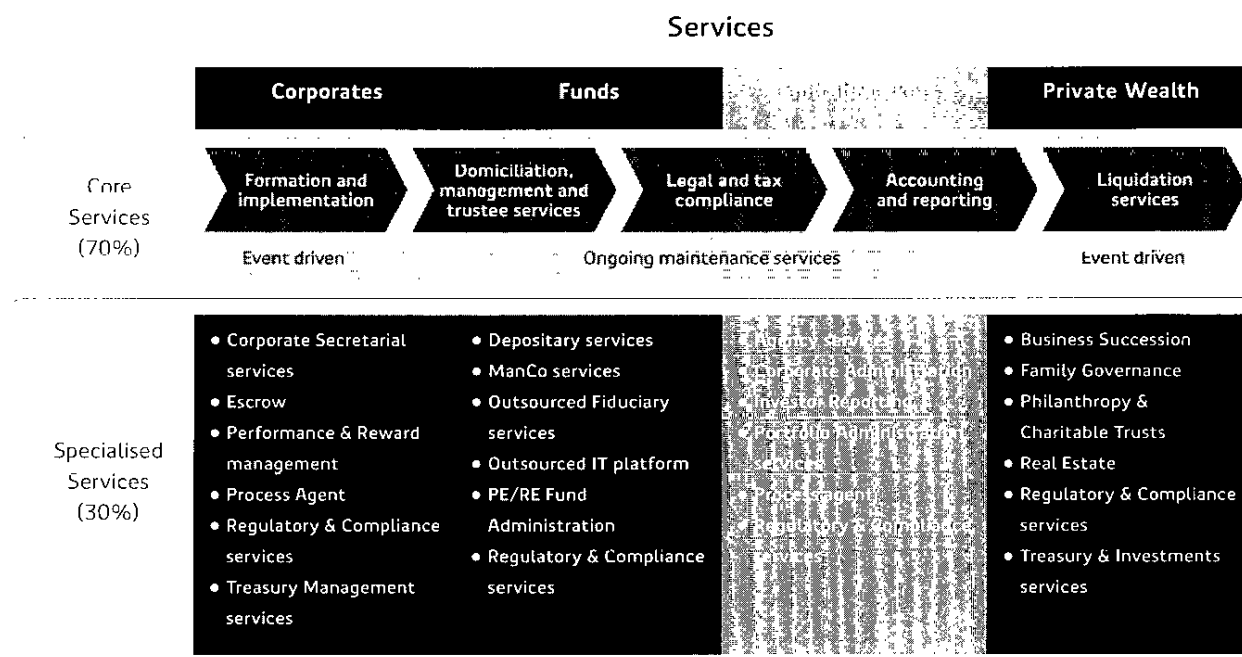
We provide accounting, bookkeeping, financial reporting and consolidation services, as well as assistance with financial audits, internal controls and VAT registration and administration. We offer payroll services and real estate investment services, engage in bank account management and pension fund administration, and provide services with respect to employee benefit trusts and the administration of trusts and foundations. We also assist clients with their IFRS reporting requirements and GAAP-IFRS conversions.

- **Liquidation services**

We manage the unwinding and dissolving of client entities and provide support with the liquidation process of any entities.

Approximately 80% of our revenue is generated by ongoing compliance and maintenance services of client entities which, for the most part, can be considered as recurring. Around 20% of revenue relates to non-recurring revenues generated by incorporations and liquidations.

Introduction	Company	Business model	Financial performance	Environmental, social and governance
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## Introduction

Our business model

## Our strategy

## Business performance

## Financials

## Additional statements

## Specialised services

Our specialised services vary by service line.

Corporates		<ul style="list-style-type: none"> <li>• Maintenance of statutory records</li> <li>• Organisation of shareholders and board meetings</li> <li>• Preparation of legal documentation</li> </ul>
		<ul style="list-style-type: none"> <li>• Management of escrow agreements to secure a client's financial obligations arising from cross-border acquisitions, international projects, litigation procedures and transnational trading transactions</li> </ul>
		<ul style="list-style-type: none"> <li>• Provision of trustee and performance and reward plan administration services</li> <li>• Assistance to clients in delivering and managing their reward and incentive arrangements across both senior management and the wider employee base</li> </ul>
		<ul style="list-style-type: none"> <li>• Acting as agent for the service of process for our clients</li> </ul>
		<ul style="list-style-type: none"> <li>• Front-office services including cash management, cash pooling, interest rate management and liquidity forecast and requirements assessment</li> <li>• Middle-office services including risk management and performance reporting</li> <li>• Back-office services including processing confirmations, payments, cash reconciliations, administration of cash pools and execution of loan agreements</li> </ul>
Funds	Depository	<ul style="list-style-type: none"> <li>• Cash flow monitoring</li> <li>• Asset verification</li> <li>• Asset safekeeping</li> <li>• Oversight services</li> </ul>
	ManCo	<ul style="list-style-type: none"> <li>• Services in relation to management companies</li> <li>• Provision of risk and regulatory compliance solutions to EU and non-EU Alternative Investment Funds ("AIFs")</li> </ul>
	Outsourced fiduciary	<ul style="list-style-type: none"> <li>• Services in relation to operational, regulatory and governance obligations</li> <li>• Assistance with director and trustee requirements</li> <li>• Provision of fund directorships, registered offices and authorised representatives</li> <li>• Trustee services for unit trust structures</li> </ul>
	Fund administration	<ul style="list-style-type: none"> <li>• Net asset value calculations</li> <li>• Investor reporting</li> <li>• Fund accounting</li> <li>• Audit assistance</li> <li>• Fund banking and payment services</li> <li>• Performance fee calculations for fund investors</li> <li>• Asset and property management and reporting</li> </ul>

Introduction Our business model	Our business model	Our business model	Our business model	Our business model
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Capital Markets	Agency services	<ul style="list-style-type: none"> <li>• Calculation and payment agency services</li> <li>• Principal and interest ledger calculations</li> <li>• Monitoring of credit default swap calculations</li> <li>• Monitoring of trigger events</li> <li>• Calculation and execution of payments to third parties</li> <li>• Registrar and transfer agency services</li> <li>• Trustee services for unit trust structures</li> <li>• Option to act as a security agent and notes trustee</li> </ul>
	Corporate administration	<ul style="list-style-type: none"> <li>• Maintenance of statutory records</li> <li>• Organisation of shareholders and board meetings</li> <li>• Preparation of legal documentation in relation to capital markets transactions</li> </ul>
	Investor reporting	<ul style="list-style-type: none"> <li>• Reporting services to investors in the SPVs of our clients including portfolio analysis, cash flow generation, prepayments, waterfalls and arrears</li> </ul>
	Listings	<ul style="list-style-type: none"> <li>• Support and facilitation of the listing of debt or equity securities in cooperation with external listing agents</li> </ul>
	Portfolio administration	<ul style="list-style-type: none"> <li>• Administrative services with respect to the underlying assets held by clients including asset cover testing</li> </ul>
	Process agent	<ul style="list-style-type: none"> <li>• Acting as agent for the service of process for our clients</li> </ul>

Private Wealth		<ul style="list-style-type: none"> <li>• Assistance with passing a business on to the next generation</li> <li>• Selling an owner-managed business</li> <li>• Putting in place the right framework for succession</li> </ul>
		<ul style="list-style-type: none"> <li>• Planning for the future</li> <li>• Administration of assets and structures through a trusted network of contacts</li> </ul>
		<ul style="list-style-type: none"> <li>• Creation of a focused strategy to support clients' philanthropic and charitable goals</li> <li>• Setting up and administering charitable and non-charitable purpose trusts, foundations, companies limited by guarantee and trust structures</li> </ul>
		<ul style="list-style-type: none"> <li>• Specialised accounting services</li> <li>• Maintenance of relationships with property managers and third parties</li> </ul>
		<ul style="list-style-type: none"> <li>• Structuring, managing and administering trusts, foundations and vehicles with regard to asset management and preservation</li> <li>• Administration of personal pensions, wills and estates</li> <li>• Family office services</li> <li>• Accounting, financial reporting and consolidation obligations</li> </ul>

## Where we operate

We operate from a global network in more than 30 countries which are grouped into three segments: Western Europe, the Americas and Rest of the World.

In addition to our offices, we have a network of approximately 26,000 business partners who refer work to us, and a network of trusted third-party service providers, enabling us to assist clients by referring them to our partners in jurisdictions where we do not have an operational presence.

## Our clients

Our global and diversified client base comprises more than 6,000 clients<sup>1</sup> who we support in an array of industries.

Our clients, who include multinational corporations, financial institutions, real estate and private equity funds, UHNWIs and family offices, represent approximately:

- 60% of the Top 10 Fortune Global 500;
- 50% of the Top 50 Fortune Global 500; and
- 80% of the Top 50 Private Equity International 300.

## How we deliver value

In an increasingly complex environment, we enable global businesses to grow sustainably by acting as enablers, navigators and gatekeepers for our clients.

At Intertrust, we aim to stay one step ahead of market developments. By understanding how such developments are likely to affect the Group's client base, we seamlessly deliver solutions that enable clients to grow in a sustainable manner. Our global position gives us an advantage over smaller providers who may deliver a narrower service offering or operate in fewer jurisdictions. Our ability to remain alert and nimble, coupled with our clear strategic vision, global scale and technological leadership, means we are well positioned to deliver value.

Our people play a key role in making this happen and we have a strong focus on developing and maintaining a dynamic and engaged global talent pool. We strive to be an employer of choice by nourishing a purpose-led, value-driven culture. By investing in training and development, we encourage our professionals to develop their talents and skills to ensure employees are equipped with the knowledge and expertise required.

Intertrust's values describe our identity as an employer and remain at the heart of everything we do to create value for our stakeholders:

- Responsive
- Excellent
- Innovative
- Connected

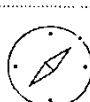
1



### Enablers

By helping our clients with their administrative challenges, we enable them to grow their business sustainably

2



### Navigators

By implementing solutions for our clients, we facilitate their ability to operate their business efficiently and responsibly

3



### Gatekeepers

Focusing on compliance, business ethics and transparency, we support our clients in fulfilling their legal, administrative and regulatory duties in international business

<sup>1</sup> Based on client grouping in the global client portal, IRIS.

# Our market

A global business operating in locally diverse markets

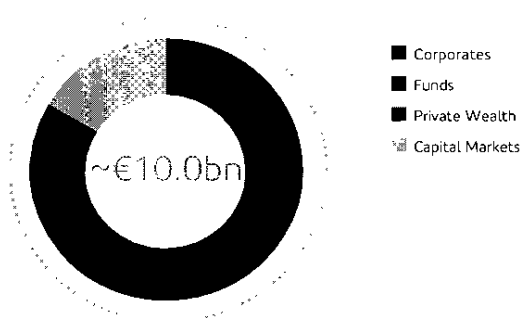
Intertrust is one of the few global service providers for corporate, fund, capital market and private wealth services.

The majority of providers within the industry operate on a local basis and/or offer a limited range of services. Other providers in the market include:

- Multi-regional and regional providers who offer a broad range of services but focus on specific jurisdictions
- Medium-sized and local providers who have a narrower service offering and smaller geographical coverage
- Some major banks, fund administrators, legal and accounting firms also compete in specific service lines.

The global expert administrative services market is worth approximately EUR 8.4 billion<sup>2</sup> in terms of revenue. Intertrust operates in 13 key jurisdictions and these jurisdictions combined account for approximately EUR 6.5 billion<sup>3</sup>, or 77%, of revenue in the global expert administrative services market. Through the

Market size within Intertrust's focus segments (€bn, 2019)



Source: external market study of August 2018

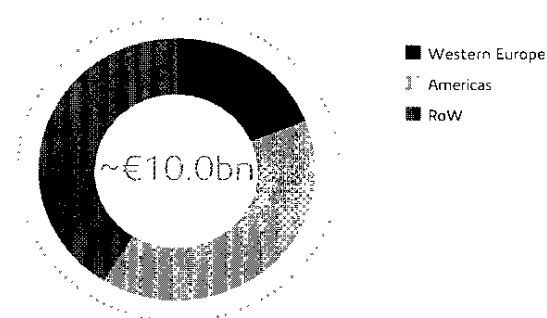
acquisition of Viteos the addressable market has increased to EUR 10.0 billion as a result of the addition of new client segments, such as hedge funds, and new specialised services. This is Intertrust's total addressable market.

The Group holds top 3 positions in all key jurisdictions:

- #1 Netherlands
- #2 Luxembourg
- #1 Jersey
- #2 Cayman Islands
- Top 3 positions in RoW

We differentiate ourselves through our global presence, our economies of scale and our broad range of high value services.

Market size within Intertrust's focus jurisdictions (€bn, 2019)



Source: external market study of August 2018

<sup>2</sup> Source: external market study, August 2018.  
<sup>3</sup> Source: external market study, August 2018.

## The market opportunity

Intertrust's addressable market is expected to grow at a CAGR of approximately 4% – 6% from 2018 to 2021 driven by increasing regulation, globalisation and outsourcing.

### Regulation

New regulation, such as the Action Plan on Base Erosion and Profit Shifting ("BEPS") and the Anti-Tax Avoidance Directive ("ATAD"), has increased substance and reporting requirements which in turn drive the expert administrative services billable hours per client entity.

Furthermore, strengthened measures to prevent tax evasion, fraud and terrorist financing have resulted in greater complexity and increased demand for additional transparency, driving up administrative burdens and costs of compliance. These trends often offset initiatives aimed at regulatory and legal simplification or international harmonisation.

### Globalisation

Globalisation remained uninterrupted between 2005 and 2017, with global trade expanding at a CAGR of 4%, in line with GDP growth. Despite well documented and high-profile trade disputes, globalisation continues apace, with global trade expected to grow at a CAGR of approximately 4% between 2018 and 2023.

As a result of this trend, clients often prefer to work with a single expert administrative services provider with a full-service proposition and a global reach.

### Outsourcing

Increased regulatory complexity, coupled with the need for investment in technology to match the ever-changing regulatory landscape, means clients are increasingly opting to outsource expert administrative services, allowing them to focus on their core capabilities.

Service line	Competitive landscape and industry trends	Opportunities	Est. annualised growth 2018 – 2021
Corporates	<ul style="list-style-type: none"> <li>• Growth in M&amp;A and buyout deal volume</li> <li>• Growth of trade activity and FDI</li> <li>• More regulation driving demand for outsourcing</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of jurisdictional footprint</li> <li>• Integrated office solutions</li> <li>• Global CoSec solution</li> <li>• Rollout of PRM services to key RoW jurisdictions</li> <li>• Recruitment-as-a-service / Payroll services</li> </ul>	<ul style="list-style-type: none"> <li>• 3-5%</li> </ul>
Funds	<ul style="list-style-type: none"> <li>• Increasing complexity driving up demand for outsourcing</li> <li>• Number of private equity / real estate funds and AUM growth</li> <li>• Growth in transaction volumes</li> <li>• More stringent compliance requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Fund administration</li> <li>• Broaden ManCo services</li> <li>• Outsourced fiduciary services</li> <li>• Compliance-as-a-Service</li> <li>• Specialised sales force in the UK and the US</li> </ul>	<ul style="list-style-type: none"> <li>• 7-9%</li> </ul>
Capital Markets	<ul style="list-style-type: none"> <li>• Economic growth</li> <li>• Deleveraging of banks drives the number of transactions</li> <li>• Increased confidence around Capital Markets investments</li> <li>• Increasing demand for alternative investment in low interest environment</li> </ul>	<ul style="list-style-type: none"> <li>• Offering domestic CM services in the US and Asia</li> <li>• Expand the targeted capital market sector to include corporate bonds, leverage loans and asset finance</li> <li>• Specialised sales in the UK and the US</li> </ul>	<ul style="list-style-type: none"> <li>• 2-4%</li> </ul>
Private Wealth	<ul style="list-style-type: none"> <li>• Growth of personal wealth to offshore wealth of HNWIs</li> <li>• Increasing propensity to invest overseas</li> <li>• Increasing complexity of reporting (e.g. FATCA, CRS)</li> <li>• Regulatory changes driving increased transparency</li> <li>• Negative publicity driving flight to quality</li> </ul>	<ul style="list-style-type: none"> <li>• Family Office support with corporate secretarial and accounting services</li> <li>• Globalisation of multi-generation families</li> <li>• Cross-selling to corporate clients</li> </ul>	<ul style="list-style-type: none"> <li>• 1-2%</li> </ul>

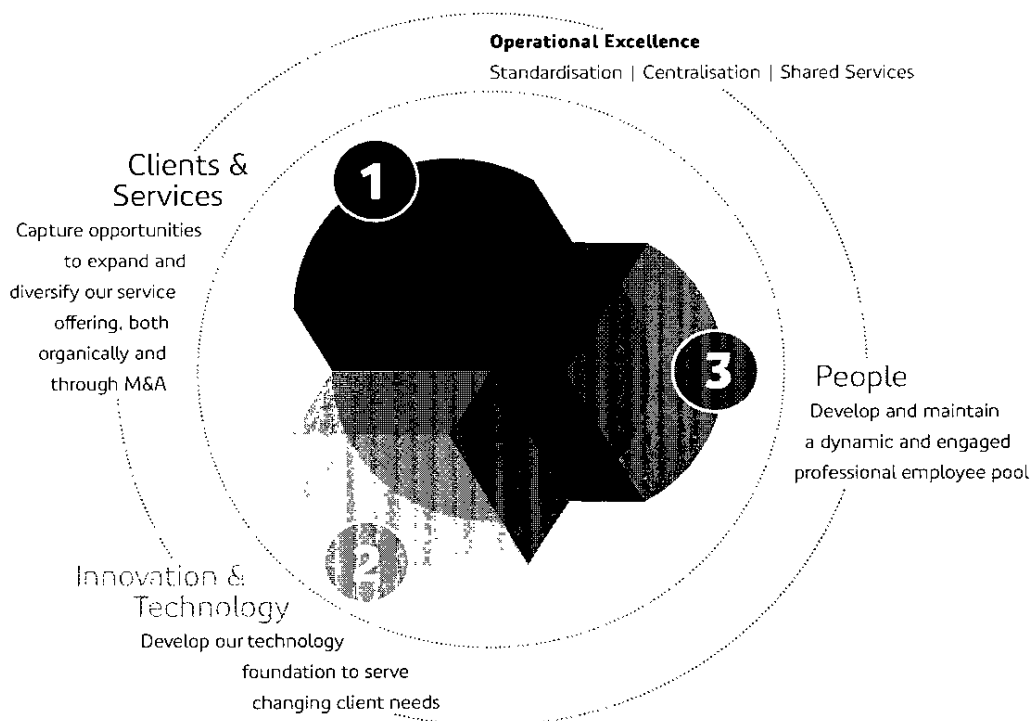


# Our strategy

Delivering innovative client solutions underpinned by corporate, legal and financial expertise and new technology

Our strategic aim is to be a tech-enabled corporate and fund solutions provider, delivering sustainable value to stakeholders. Our strategy is underpinned by three focus areas. Clients & Services, Innovation & Technology and People. Delivery against each of these three focus areas will enable us to wrap operational excellence improvements through standardisation, centralisation and the use of shared services.

## Strategic ambitions



## Clients & services

Capture opportunities to expand and diversify our service offering both organically and through M&A activity

### Our ambitions

#### Corporate services

- Develop and deploy integrated office solutions and global 'CoSec' solutions
- Rollout performance and reward management services in targeted jurisdictions
- Grow recruitment and payroll services
- Expand global footprint to new jurisdictions
- Bundle all of these services on our platform

#### Fund services

- Expand private equity and real estate full fund administration
- Offer operational simplicity solutions to an expanded funds market
- Pursue growth opportunities identified in existing and new geographies (e.g. Luxembourg, Ireland, Spain, Jersey and the Americas)
- Broaden management company (ManCo) services and fund services administration in Luxembourg and Ireland, respectively
- Introduce outsourced fiduciary services (e.g. assist money laundering reporting officers (MLROs) and money laundering compliance officers (MLCOs) with investor onboarding procedures)
- Expand compliance services, especially alternative investment fund managers (AIFM), anti-money laundering (AML) and customer due diligence (CDD) compliance

#### Capital market services

- Offer domestic services in the US and Asia Pacific region
- Grow debt capital market services in the US and Europe
- Broaden our service scope for select transactions including non-performing loans (NPLs), bank loans and high yield fixed income

#### Private wealth services

- Grow Intertrust's ability to support family offices with CoSec and accounting services
- Facilitate globalisation of multi-generational family wealth
- Increase cross-selling, targeting our Corporate and Fund service lines
- Offer consolidated reporting to bring it all together for UHNWI

In addition to organic growth initiatives, Intertrust intends to pursue selective and value enhancing initiatives to increase scale, complement the Group's service offering, expand its footprint and enhance Intertrust's technological capabilities.

A disciplined and selective approach to acquisitions is adopted through the application of a strict set of selection criteria when evaluating potential acquisition candidates, with a clear focus on strategic growth.

### Progress in 2019

- ✓ Acquisition of Viteos, 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
- ✓ Enhanced and expanded the services offered in the Capital Markets and Funds service lines, such as loan administration and debt servicing
- ✓ Acquisition of ABN AMRO's Escrow and Settlement business
- ✓ Fund Administration license obtained in Ireland
- ✓ UK Fund Finance Advisory services launched
- ✓ Applied for a capital markets license in Americas
- ✓ Corporate service offering expanded to new locations in Shenzhen (China) and Auckland (New Zealand)
- ✓ Obtained PSD2 license from DNB to offer escrow services locally in the Netherlands. This will be extended to the global network

## Innovation & technology

### Develop our technology foundation to serve changing client needs

#### Our ambitions

- Provide insight to clients through the consolidation of client data and empowering decision making
- Enhance transparency, providing better and more consistent oversight over activities, deadlines and regulatory changes
- Utilise automation to digitise client-facing processes and generate efficiencies
- Provide control through risk management and ensure clients operate in a compliant environment and with security of information
- Leverage the benefits of new technology, e.g. regulatory technology (RegTech), robotic process automation and blockchain

#### Progress in 2019

- ✓ Successfully launched and rolled out the Group's new client portal, IRIS. All client data onboarded
- ✓ Technology upgrade in the Americas accelerated through the acquisition of Viteos
- ✓ Automated Payment Platform now live
- ✓ Deployed enhancements to the Performance Reward Management system for corporate clients
- ✓ Automation of workflows advancing well and will be supported by Viteos tools and expertise
- ✓ Digitalised the Know Your Client (KYC) and Anti-Money Laundering (AML) processes, utilising out of the box Viteos solutions
- ✓ State of Art Helpdesk/IT centres in India now supporting all Intertrust operations
- ✓ Enhanced process of monitoring legal transactions, incoming and outgoing payments
- ✓ Successfully advanced the IT roadmap with NaaS (networks as-a-service) which is now live in the Americas

## People

### Develop and maintain a dynamic and engaged professional employee pool

#### Our ambitions

- Create an environment for people to grow, perform and succeed. Intertrust recognises that knowledge, local expertise and business relationships are crucial to delivering high-quality services to clients and generating new sustainable business
- Attract, develop and retain the best talent in the industry
- Strengthen employee engagement through process standardisation and new procedures to create a more consistent way of working and improve efficiency

#### Progress in 2019

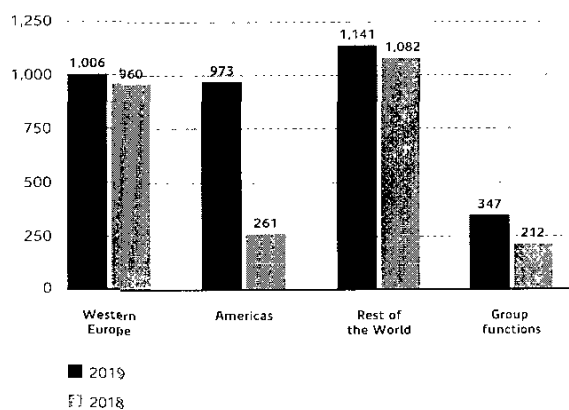
- ✓ Senior Leadership Group established to support and drive strategy execution
- ✓ Streamlined management structure and reinforced leadership team; key appointments include:
  - Chief Commercial Officer (Ian Lynch)
  - Global Head of Funds (Patrick O'Brien)
  - Chief Risk Officer (Petra van Hooeken)
  - Chief Financial Officer (Rogier van Wijk)
  - Managing Director Western Europe (Lee Godfrey)
- ✓ Updated corporate values rolled out across local offices and embedded in employee objectives
- ✓ Successful launches of centralised tools, including a global online learning platform ('ELLA'), global induction process and global expense system ('Concur')
- ✓ Workday online
- ✓ Induction and management training

## Employee base

We employ a diverse employee base of more than 3,500 people in more than 30 countries. In 2019, the total number of FTEs increased by 38%, mainly as a result of the acquisition of Viteos, reaching 3,467 at the end of the year (2018: 2,515). Our annual staff turnover rate was 23.4% (voluntary attrition) which is broadly consistent with last year (23.2%).

The average age is 33 years. Female staff account for approximately 51% of the total. Around 70% of our employees are in the 21-40 age range with 32% in the 21-30 range (2018: 34%) and 36% (2018: 35%) in the 31-40 range.

### FTEs



## Operational excellence

Enable our strategic ambitions through standardisation, centralisation and the use of shared services

### Our ambitions

- Implement global process standardisation
- Create Centres of Excellence to handle some select activities, enabling us to deliver value to clients by improving the efficiency and quality of our services
- Outsource certain business processes to nearby countries to improve customer service

### Progress in 2019

- ✓ Global process alignment underway
- ✓ Strategic planning to automate key business activities completed
- ✓ Integration of Viteos largely completed
- ✓ First steps taken in migrating certain back office support functions to Centres of Excellence in India
- ✓ Implementation of ERP system on track

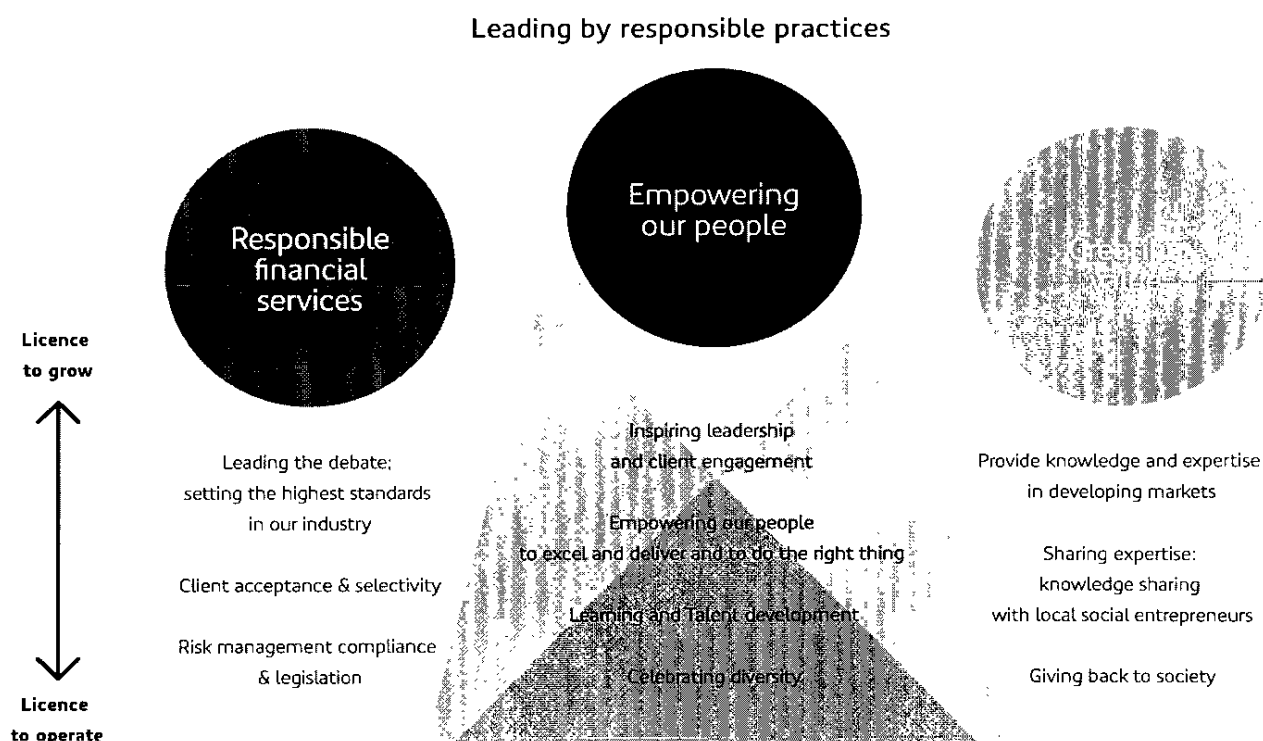
# Environmental, social and governance strategy

Building a sustainable business requires a balanced relationship with all stakeholders including employees, clients, business partners, investors, regulators, the communities we operate in and society at large.

## Our Environmental, Social and Governance programme

The central theme in our Environmental, Social and Governance (ESG) programme is 'leading by responsible business practices'. It guides our actions by focusing on three key areas:

1. Responsible financial services
2. Empowering our people
3. Creating value for our stakeholders



## 1. Responsible financial services

We contribute to society with our ambition to behave with integrity and to comply with regulations. We act to deter corruption, money laundering, terrorist financing and tax evasion when assisting our clients with their legal, financial and regulatory reporting obligations. Making choices about who we serve and how we serve them is an important part of our responsible and ethical business process. We therefore consider compliance and integrity within a stringent regulatory environment to be an integral part of our business identity.

### Compliance and Risk Management framework

We are committed to supporting our clients being compliant with regulatory, risk and societal standards at every location and segment we operate in. Rapid changes in regulations and politics, with scrutiny from supervisory bodies, regulators, and society continue to shape the industry in which we operate. A robust Compliance and Risk Management framework is of central importance to Intertrust. With the knowledge of our clients and the industry and an understanding of their requirements we continually find new and better ways to serve and operate in compliance with regulatory, risk and societal standards. Find out more about our Compliance and Risk Management practices on page 32.

### Risk appetite

We are seen as gatekeeper in the financial services industry as we work with our clients through our services to be compliant with the regulatory standards expected by the societies in which we operate. To do so, it is vitally important for us to know and understand our clients fully. We have clear strategic goals regarding the types of clients we do and do not wish to serve. We take our responsibility to protect the financial services sector seriously by regularly evaluating our existing risk appetite. We must also carefully consider how to react to new risks, threats, opportunities, and changes to regulation as well as to the changing demands of customers and society in general as they emerge.

Our internal controls and screening processes are designed to protect us against reasonable exposure to risk. This includes the routine screening of suspicious activities which may be linked to money laundering, the financing of terrorism, tax evasion, breaching of sanctions legislation, fraud or other criminal acts. We act swiftly on any indication that applicable national or international laws have been broken or are at imminent risk thereof. We provide guidance to clients on the most appropriate legal entities for their needs and ensure solutions which align with the specific regulatory and compliance systems of the relevant market. We also review and revise our own internal policies regularly according to changes in regulation and wider shifts in societal norms or expectations. Routine

engagement with national regulators in our operating countries ensures we continuously frame our risk management and mitigation approach in line with the external policy environment and related industry best practice. Operating in a highly scrutinised global market place means we are often subject to governmental investigations and regulatory scrutiny. With regard to open and pending proceedings or investigations we cannot pre-determine future actions or outcomes.

### Continuous checks

At Intertrust we work in the spirit of laws and treaties, that govern us and our clients' dealings. We want to know our clients and the business they operate in, and do careful and continuous checks to verify their statements to us. We aim to ensure that the entities we manage for our clients meet all local regulations including any financial, legal and regulatory requirements and obligations to which our clients are bound under the laws and regulations wherever we do business with them.

We are highly aware of our role as gatekeeper and enabler of legitimate international investment and trade. We therefore make careful choices about the clients we work with and look to foster long-term relationships with them based on trust and transparency. We interact with our business partners on the same basis, to ensure our mutual clients' needs are correctly met.

### Anti-corruption and bribery

Our reputation and licence to operate depend on responsible business conduct. As a quality corporate, legal and financial service provider, we do our utmost not to enter into, or maintain, relationships with individuals or organisations engaged in, or suspected of having engaged in, illegal or unethical activities.

### Human rights

We establish long term business relationships with clients who respect the UN Universal Declaration of Human Rights and the eight fundamental Conventions of the International Labour Organisation (ILO). Our internal processes include a review of our clients' overall social performance.

Our Code of Conduct, Modern Slavery Statement and whistle-blower policy are available on our website:  
[www.intertrustgroup.com](http://www.intertrustgroup.com)

### Corporate tax policy

As part of our ESG programme, we acknowledge the importance of contributing to the public finances of the countries in which we create business value by making timely payment of our tax liabilities. We comply with the tax laws and

regulations in all countries in which we operate and should exert every effort to act also in the spirit of those laws and regulations. This includes such measures as providing to the relevant authorities the information necessary for the correct determination of taxes to be assessed in connection with our operations and conforming transfer pricing practices according to the arm's length principle. Our corporate tax policy is reflected by the following elements:

- Our tax principles are aligned with our business principles and our corporate values. We adhere to the principle that tax should follow the business and profits are allocated to the countries in which business value is created.
- We will not enter into transactions or structures that are notifiable to tax authorities under mandatory disclosure regimes unless there are sound business reasons for it and due consideration is given to our reputation, brand and our corporate and social responsibilities.
- Our objective is to be compliant with national and international rules and best-practice guidelines (such as the OECD Guidelines for Multinational Enterprises) and to adhere to the arm's length principles.
- We operate in low-taxed or no-tax jurisdictions for legitimate and justifiable non-tax business reasons. We do not use so-called 'tax havens' merely for tax reduction purposes.
- We commit ourselves to develop and maintain open, constructive and cooperative relationships with tax authorities and other stakeholders, based on integrity and mutual trust and respect.
- Periodical meetings are scheduled by the tax department (joined by the Chief Financial Officer) with local management to discuss tax developments, our tax policy and any local uncertain tax positions in detail.
- Intertrust has a limited tax risk appetite.
- Our tax position and tax risk management procedures are regularly discussed at the level of the Executive Committee, Management Board and Audit & Risk Committee of the Supervisory Board.
- Our global tax position is regularly discussed with and reviewed by internal and external auditors. Our Annual Report provides for clear tax disclosures.
- We explicitly confirm that our whistle-blower policy also applies to our tax professionals and tax processes.
- Our Global Tax Policy and Principles of Conduct are approved by the Management Board and are published on our corporate website <https://www.intertrustgroup.com/about-us/corporate-social-responsibility>.



## New office EDGE Amsterdam West

**Intertrust will move to a new office in 2021.**

**The building is currently being redeveloped and transformed to create a biophilic and sustainable office environment.**

It aims to be remarkably sustainable, due to the use of a sophisticated technology platform. EDGE Amsterdam West is a 48.000 sqm redevelopment of an office building from the 1970's. The building has been upgraded to become an advanced and sustainable office space, meeting the highest requirements in terms of sustainability, technology and office health. A new and spectacular glazed dome has been placed to cover the atrium, transforming the unused exterior space into the new heart of the building and bringing lots of natural daylight into the working spaces.

# Aligning corporate values with tax principles:

Responsive	Excellent	Innovative	Connected
<ul style="list-style-type: none"> <li>• We are open and honest, and will value, support and treat everyone (colleagues, clients, and other stakeholders) equally, and with mutual respect in order to support our further growth and improvement of our reputation, brand, corporate and social responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>• We will work to ensure the business understands that the tax function should be involved throughout transactions from planning and implementation to documentation or maintenance.</li> </ul>	<ul style="list-style-type: none"> <li>• We encourage and enable all staff to raise concerns and report suspected wrongdoing or activities that he/she considers to be dishonest under the Intertrust Whistle-blower Policy.</li> </ul>	<ul style="list-style-type: none"> <li>• We seek to develop and maintain open, constructive, and cooperative relationships with tax authorities and other stakeholders, based on integrity and mutual trust and respect.</li> </ul>
<ul style="list-style-type: none"> <li>• We observe all applicable laws, rules regulations and disclosure requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• We invest in a team of qualified tax professionals by enabling them to further develop their personal and professional skills and knowledge.</li> </ul>	<ul style="list-style-type: none"> <li>• We apply diligent professional care and judgement to arrive at well-reasoned conclusions.</li> </ul>	<ul style="list-style-type: none"> <li>• We will work jointly with the business as an equal partner in providing clear, timely, and relevant business focused advice across all aspects of tax.</li> </ul>
<ul style="list-style-type: none"> <li>• We will ensure the business understands our tax risk management policy and principles, including our risk appetite.</li> </ul>	<ul style="list-style-type: none"> <li>• We ensure all decisions are taken at an appropriate level and supported with documentation that evidences the facts, conclusions and risks involved.</li> </ul>	<ul style="list-style-type: none"> <li>• We will provide appropriate input as part of the approval process for business proposals to ensure a clear understanding of the tax consequences (i.e. costs, benefits, risks).</li> </ul>	
<ul style="list-style-type: none"> <li>• We will fully adhere to our Tax Principles as defined in our Global Tax Policy and Principles of Conduct.</li> </ul>			
<ul style="list-style-type: none"> <li>• We are compliant with all anti-bribery legislation.</li> </ul>			



## 2. Empowering our people

We endeavour to be the employer of choice in our sector and are committed to partnership and integrity in the workplace. We make substantial investments to ensure a sustainable growth path by fostering a healthy company culture and by developing our employees.

### Corporate values

Corporate values form an integral part of our recruitment and selection process as well as of our performance management system. Our values are reflected in internal and external communications and marketing materials and presentations, in employee appraisals, through the Code of Conduct and through the example set by our senior management.

### Trust, confidence and respect

Our key commitment and core principle is to provide an environment that promotes trust, confidence and respect of our employees, clients, business partners, local and international stakeholders, media, government and regulating authorities as well as industry and social organisations. Based on this ethos, we have created a culture where integrity and transparency are essential to the way we do business.

### Continuous compliance

All Intertrust employees are committed to being compliant with regulatory, risk and societal standards at every location and segment we operate in.

Our internal policies and compliance training programme aim to establish expectations and awareness of ethical business practices and to ensure compliance with applicable trade restrictions, anti-trust and bribery laws, market abuse rules and other compliance regulations.

### Setting the tone

Senior and board level management see it as an important responsibility to set the right tone at the top of the organisation. They promote quality, integrity and professionalism as the most important characteristics of our day-to-day work. Supervising compliance with the regulatory and quality standards is the joint responsibility of the Management Board and Executive Committee.

### Environmental policy

Intertrust believes that ESG goes beyond compliance with laws and regulations. It even goes beyond current profitability and success. We believe a sustainable global economy should combine long-term profitability with social justice and environmental care. As a professional services firm, our environmental impact is small compared to many other industries. But we, as well as our clients, employees and other

stakeholders, want to minimise our environmental impact. Most of our operational impact comes from carbon emissions generated by business travel and by energy in our offices. We aim to reduce the resources that we consume, such as paper and water, and the waste we generate. In 2021 Intertrust will move to a new office building called "The Edge Amsterdam West". It is a building that meets the highest requirements in terms of sustainability, technology and office health.

## 3. Creating shared value

### Adding value to the communities we live and work in

As an international organisation with staff and offices around the world, we are well placed to make a positive contribution with sponsorships and local community initiatives.

In 2011, we established the Intertrust Foundation with the aim of engaging our employees in pro-bono services, direct action and fundraising in support of youth and educational initiatives. The Foundation does this in partnership with locally established charities and non-governmental organisations (NGOs). By actively supporting these causes, our employees know they can make a difference for young people across the world, while expanding their personal and cultural horizons.

The Foundation has a programme office with four Intertrust representatives who evaluate and vote on matching requests for project proposals from employees. Ambassadors from the different jurisdictions coordinate the community outreach and charitable activities in their offices, set goals and report on achievements.

### Global initiatives

The Intertrust Foundation runs global initiatives in support of educational programmes. In 2017, to mark our 65<sup>th</sup> anniversary, Intertrust announced a three-year global partnership with SOS Children's Villages. The charity partner and project, with the aim to empower and support young entrepreneurs in Ghana, was chosen by our employees.

### Local initiatives around the world

Hundreds of Intertrust employees give their time and expertise every year to support their local communities. They gain from the experience whether they are organising events to help to promote public awareness of environment protection and sustainability or raising funds to support charities which help to create job opportunities for the less advantaged.

In 2019, our community focus has been particularly strong in places such as the Cayman Islands, Hong Kong, Ireland, Jersey, Luxembourg, Netherlands, and the United Kingdom.

## Material topics and our focus

In 2019 we performed our first Materiality Analysis with the aim of deepening our focus on Environment, Social and Governance (ESG).

A total of 27 material themes, validated against the Global Reporting Initiative's (GRI) Standards were selected for consideration. These were grouped and ranked by a working group of internal and external Intertrust stakeholders, representing a demographic split (age, gender, ethnicity) and different categories of professional expertise. Through direct survey and third-party interviews, we high-graded the initial list according to the significance of the subject matter to our key stakeholders.

A goal of the Materiality Analysis was to develop a matrix to inform future ESG discussions and strategic business decisions. It facilitates a better understanding of potential future business and societal impact and the threats and opportunities linked to enterprise value for Intertrust. It also revealed a hierarchy of stakeholder interests and concerns enabling leaders to link future efforts in the ESG space to external, and especially internal employee interests.

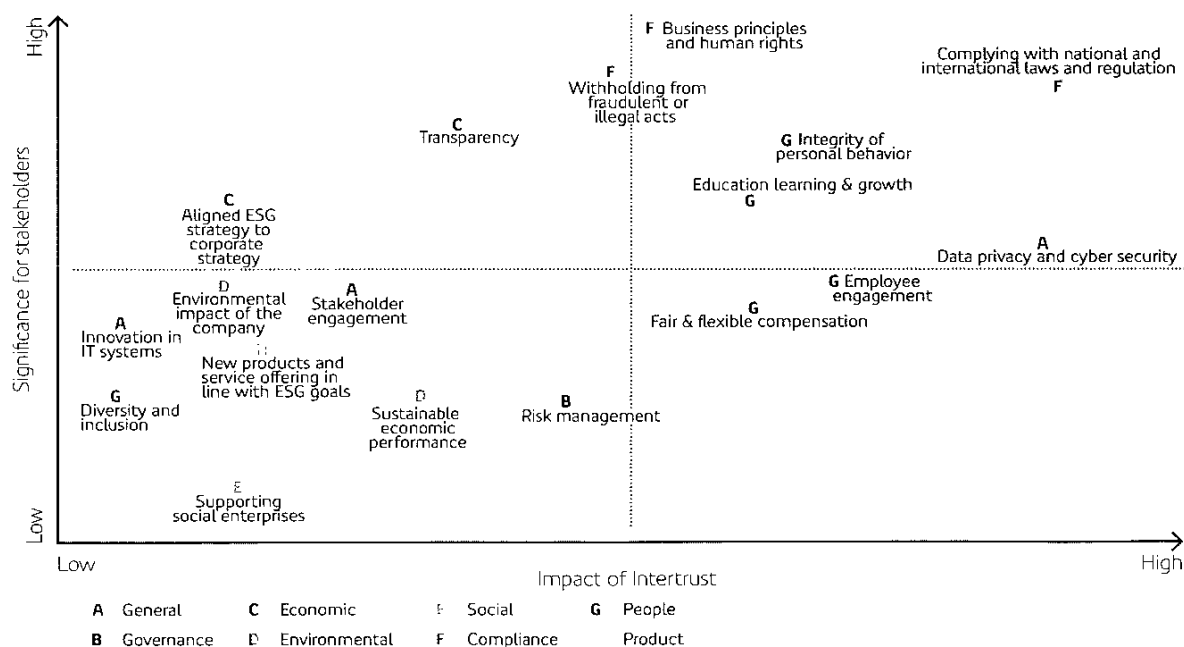
The Materiality Matrix presented below is a first step in an area of increasing importance for businesses like ours. We are

committed to maturing this and with it our role as a leader in sustainable business growth. On an annual basis we will revisit and revise the matrix, taking account of shifting stakeholder perceptions and the risks and opportunities created.

To date eight topics reached the medium to high threshold of importance. They were:

- Business principles and human rights;
- Complying with national and international laws and regulation;
- Withholding from fraudulent or illegal acts;
- Integrity of personal behavior;
- Transparency;
- Education, learning and growth;
- Aligned ESG strategy with corporate strategy;
- Data privacy and cyber security.

Our focus for 2020 will be to develop plans which embed these topics further in our organisation. This includes day to day decision-making and longer-term strategic planning. This will be approached by assessing the risks associated with each topic and ensure the governance is in place to make sure we link it to our company goals.



## Creating sustainable value and building trust

In September 2015, the UN launched its 17 Sustainable Development Goals (SDGs). We have identified three of the goals – and the most relevant sub-goals – to focus our efforts first and foremost on sustainable economic growth and employment (SDG 8), reducing inequality within and among countries (SDG 10) and promoting inclusive societies and building effective, accountable institutions (SDG number 16).

Intertrust aims to contribute to a sustainable future, socially and economically, through our role as gatekeeper, navigator and enabler in the global financial sector. We support our clients in fulfilling their legal, administrative and regulatory duties in order to enable them to operate their business efficiently and responsibly. Although we will focus on the highlighted SDGs, we may link to a wider set of goals and targets as we further engage with our people and stakeholders and learn where Intertrust can create value and have a positive impact.

Goal	Our contribution	Subtargets
	<b>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</b>	8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.
	<b>Reduce inequality within and among countries</b>	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. 10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations
	<b>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</b>	16.5 Substantially reduce corruption and bribery in all their forms 16.6 Develop effective, accountable and transparent institutions at all levels

# Financial performance

## Reporting and segmentation

On 14 January 2019 Intertrust announced it will simplify its organisational structure by replacing its current geographical setup of five segments with three segments. As of Q1 2019, the Company will report on:

- Western Europe: Belgium, Germany, Luxembourg, Netherlands and Switzerland.
- Americas: Bahamas, Brazil, BVI, Canada, Cayman Islands, Curacao, India (as of Q2 2019) and US.
- Rest of the World: Asia Pacific (Australia, China, Hong Kong, Japan, Singapore and New Zealand); and Northern and Southern Europe (Cyprus, Denmark, Finland, Guernsey, Ireland, Jersey, Norway, Spain, Sweden, UAE and UK).

Adjusted 2019 numbers are excluding IFRS16 impact and used for comparison purposes unless stated otherwise

### Revenue and EBITA

Reported revenue increased 9.5% to EUR 543.3 million (+3.7% underlying) compared to EUR 496.1 million in 2018. Excluding the acquisition of Viteos and corrected for currency changes, revenue increased 3.0%, in line with our 2019 guidance.

As of 2019, Intertrust started to report revenue per service line. In the full year, Corporate Services grew by 1.8% to EUR 196.0 million with strong growth in Rest of the World (Nordics and the UK). Fund Services reported underlying revenue growth of 10.6% driven mainly by Luxembourg and Viteos, which is included in the Americas. Viteos' revenue was in line with our expectations. Revenue in Capital Market Services increased 2.7%, which is in line with market growth of 2% - 4%. Private Wealth declined by 7.8% due to lower transactional activity as a result of uncertainty surrounding Brexit and the effect of the decision of a large family office to insource in 2018.

Reported EBITA increased 3.8% to EUR 178.5 million in 2019 compared to EUR 172.0 million in 2018. Reported EBITA margin decreased to 32.9% from 34.7% in 2018.

Adjusted EBITA increased 5.9% (underlying -0.8%) to EUR 196.9 million from EUR 185.9 million in the previous year. Adjusted EBITA margin was 36.1% (2018: 37.5%), which was in line with our guidance of at least 36%. The lower margin in 2019 was mainly due to IT investments and a change in business mix with higher growth in the Rest of the World segment.

### Financing and tax expenses

The reported financial result in 2019 of EUR 17.7 million negative (2018: EUR 32.9 million negative) included interest expenses of EUR 40.0 million (2018: EUR 31.8 million). The higher interest expenses were largely related to a new USD 150 million term loan and utilisation of USD 65 million revolving credit facility following the acquisition of Viteos.

The net financial result excluding IFRS16 amounted to EUR 15.0 million negative on a full year basis (2018: EUR 32.9 million negative) and was mainly driven by the fair value adjustment of the early redemption option. This fair value adjustment was EUR 22.7 million positive in 2019 (2018: EUR 0.3 million negative) and related to the mark to market accounting of the early redemption option in the senior notes.

Income tax expenses in 2019 amounted to EUR 24.4 million (2018: EUR 8.4 million). The increase was the result of a change in the corporate income tax rate in the Netherlands impacting our deferred tax position. The effective tax rate in 2019 was 21.3%. If tax expenses were normalised for one-off items such as the impact of the Dutch corporate income tax rate change on the deferred tax position and the adjustment relating to the Viteos acquisition fees, the effective tax rate was 18.6%.

### Net income

Reported net income (including IFRS16) for the year was EUR 90.3 million or EUR 141.8 million on an adjusted basis. The adjustments in 2019 were for amortisation (EUR 46.1 million), specific items (EUR 19.0 million), impact of IFRS16 (EUR 2.0 million), one-off in finance and forex gains (- EUR 21.7 million) and one-off tax income (EUR 6.1 million).

## Annual Report 2019 29

# Shares and shareholders

Intertrust is committed to maintaining a strong relationship with the investment community and attaches great value to maintaining an open dialogue with our shareholders, investors and equity analysts.

The main goal of our investor relations' activities is to provide all relevant information to the markets and to ensure that the information we disclose is accurate, complete and provided in a timely way. We provide insight into our activities through selected financial and non-financial press releases. We regularly update the markets on our financial performance, the progress we are making in the execution of our strategy and any other relevant developments using press releases, webcasts, conference calls and other channels. All financial press releases are widely distributed and are also made available to the AFM (the Dutch Authority for the Financial Markets). In addition, they are posted on the Intertrust website: <https://www.intertrustgroup.com/investors>

Intertrust is keen to engage actively with existing and potential shareholders, equity analysts and rating agencies to build enduring relationships based on a constructive dialogue. Our Management Board hosts one-on-one and group investor meetings during (international) roadshows or in-house meetings, and also attends broker-organised investor conferences. Please refer to our corporate website for Intertrust's policy on bilateral contacts with shareholders and potential shareholders.

## Dividend

We aim for a pay-out ratio of at least 40% of adjusted net income. In June, a final dividend for the year 2018 of EUR 0.32 was paid out and in November, an interim dividend for the financial year 2019 of EUR 0.30 per share was paid. We will propose to our shareholders a final dividend of EUR 0.33 per share resulting in a total full year 2019 dividend of EUR 0.63 per share (2018: EUR 0.62).

## Major shareholders

Dutch law requires shareholders holding a (potential) capital and/or voting interest of 3% or more in Intertrust to disclose

such to the AFM. The AFM processes these disclosures in its publicly available register which can be found at [www.afm.nl](http://www.afm.nl).

On 12 February 2019, Blackstone placed 6,074,824 of its Intertrust shares at EUR 15.15 per share with institutional investors via an accelerated book build, thereby decreasing Blackstone's shareholding from 6.87% to almost zero.

As per 31 December 2019, the following parties had made a notification to the AFM with respect to their shareholding in Intertrust. Actual percentages may differ slightly.

Shareholder	% <sup>1</sup>	Date of notification
FMR LLC	9.92%	12 December 2019
Lucerne Capital Management LLC	5.08%	4 December 2019
Harbor Spring	4.97%	20 June 2019
JP Morgan Asset Management	4.82%	1 November 2019
Holdings Inc.		
Norges Bank	3.84%	7 March 2019

<sup>1</sup> Source: [www.afm.nl](http://www.afm.nl), AFM register.

## Share price performance

Intertrust has been listed on Euronext Amsterdam since its IPO in October 2015 and its shares are traded under the ticker symbol INTER. The Company has been included in the AMX mid-cap index of Euronext Amsterdam since March 2016.

The share price ended the year 2019 at EUR 17.31, which was above the closing price of EUR 14.69 in 2018. An overview of the share price in 2019 is shown in the graph on the next page.

## Senior unsecured notes and ratings

In November 2018, Intertrust issued 7-year EUR 500 million senior unsecured notes with a coupon of 3.375% (listed on the Luxembourg stock exchange). The Notes have a BB+ rating at Standard & Poor's and a Ba2 rating with Moody's. For more

information about this offering, please refer to the corporate website or Note 20 of the financial report.

## Research coverage

Currently, six sell-side analysts are actively tracking us and they regularly publish equity research reports on Intertrust: ABN AMRO, Degroof Petercam, Deutsche Bank, JP Morgan Cazenove, Kempen & Co and UBS. Their details can be found at: <https://www.intertrustgroup.com/investors/analysts>.

## Financial year and quarterly reporting

Intertrust's financial year runs from 1 January to 31 December. We provide trading updates for the first and third quarters of each year, interim financials for the half year and full audited financial statements for year end.

When publishing financial results and trading updates, Intertrust holds conference calls/webcasts for shareholders, analysts and financial journalists that can be accessed through our website.

Opening price as at 2 January 2019	EUR 14.75
Highest closing price 2019	EUR 19.31
Lowest closing price 2019	EUR 13.99
Closing price as at 31 December 2019	EUR 17.31
Market cap as at 31 December 2019	EUR 1.6 billion
Average daily volume shares	120,169

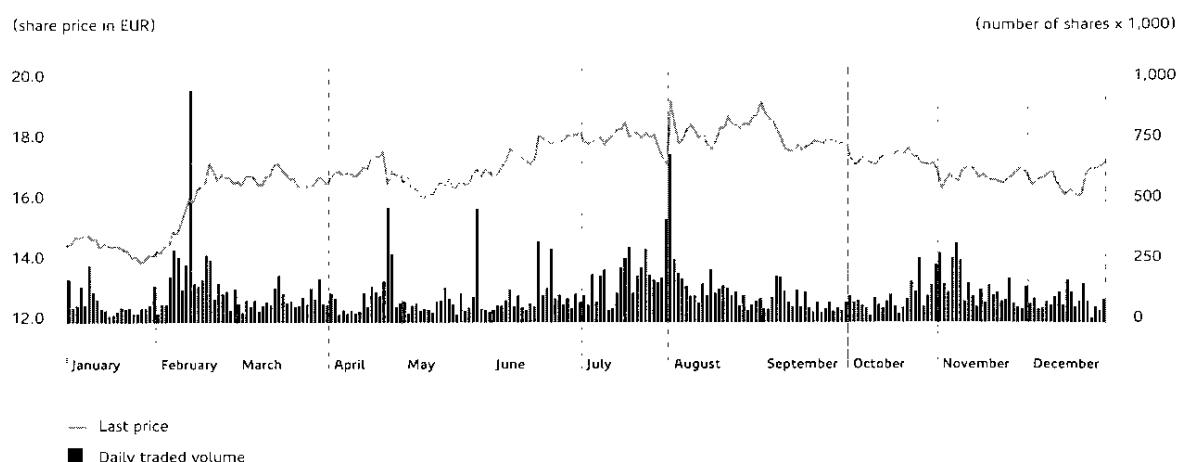
## Closed periods

1 January 2020 – 6 February 2020  
1 April 2020 – 23 April 2020  
1 July 2020 – 30 July 2020  
1 October 2020 – 22 October 2020

## Financial Calendar 2020

Date	Event
6 February	Publication of Q4 and full year 2019 unaudited results
14 February	Publication of 2019 Annual Report & audited financial statements
23 April	Publication of Q1 2020 trading update
14 May	Annual General Meeting
18 May	Ex-dividend date for final dividend 2019
19 May	Record date for final dividend 2019
5 June	Payment date for final dividend 2019
30 July	Publication of Q2/H1 2020 results & reviewed interim financial statements
22 October	Publication of Q3 2020 trading update
4 November	Ex-dividend date for interim dividend 2020
5 November	Record date for interim dividend 2020
27 November	Payment date for interim dividend 2020

## INTER share financial year 2019



# Compliance and Risk Management

We are committed to support our clients being compliant with legal, regulatory, risk and societal standards at every location and segment we operate in.

With rapid changes in regulations and politics, and with scrutiny from supervisory bodies, regulators, and society which continue to shape the industry in which we operate; Compliance and Risk Management is of central importance to Intertrust. With the knowledge of our clients and an understanding of their requirements we continually find new and better ways to serve and operate in compliance with legal, regulatory, risk and societal standards.

## Strategic progress

In 2019 Petra van Hoeken joined Intertrust as Chief Risk Officer (CRO), to lead and transform compliance and risk management activities, front to back, in support of our strategy of client focus, global growth and tech enablement. The CRO is a member of the Executive Committee.

Enhanced focus on governance, risk and compliance to ensure that Intertrust:

- maintains a robust global governance model;
- fully embeds a risk and compliance culture;
- pro-actively manages existing and new operational risks;
- provides a structured training programme to improve knowledge of governance risk and compliance for all; and
- leverages available technology to increase efficiency and effectiveness.

Intertrust is undergoing a technological transformation to provide tech-enabled corporate and fund solutions. Part of this transformation is aimed at the alignment of common global processes and improving workflows, ultimately leading to a more effective and efficient operating platform. Change is also an opportunity to strengthen and embed sustainable industry best practice for corporate governance, along with codes of conduct and behaviours driving a clear cultural message for compliance and risk behaviours. It also clearly provides new

opportunities and the chance of deep engagement for our professional employees across the globe.

Local and global management promotes and supports compliance and risk management and the importance of adherence to global policies and standards and relevant regulations such as sanctions, anti-tax evasion, anti-bribery and corruption, anti-money laundering, and the countering of terrorist financing.

During 2019 we sharpened our quarterly compliance and risk reporting to the Executive Committee and the Supervisory Board, as well as conducted our fourth Group-wide Risk Control Self-Assessment.

## Risk appetite

During the year, we continued to apply our Group risk appetite and risk tolerances in alignment with our strategy, our global policies and our standards. In countries where we are not under supervision by local authorities, we strive internally to maintain the same practice standards we apply elsewhere in the Group.

Compliance and Risk Management continues to work with the Executive Committee, the Audit and Risk Committee of the Supervisory Board to regularly evaluate our existing risk profile and react to new risks, threats, opportunities and changes to legislation, regulation, customer and societal demands as they emerge. Intertrust remains vigilant to risks and will turn away



clients that cannot match our risk appetite. We are clear about those business activities that we will not accept and we also have an internal control mechanism to assess and monitor our higher risk and sensitive business activities and relationships.

We play a gatekeeper role to society demands, and it is vitally important for us to know and understand our clients fully and to make sure that the legal entities we provide services to comply with our, and regulatory, standards. We also see this in-depth knowledge and understanding of our clients and their interests as being an opportunity as enablers, adding value and enhancing our clients' experience.

Navigating through change in regulation and keeping abreast of industry standards requires education of our employees and Intertrust has launched an online e-learning application to support the upskilling of our employees. Where we can help our employees understand changes in regulatory demands, this can also support them in exploring commercial opportunities.

Intertrust has processes for reporting unusual transactions. We also have a whistle-blower policy allowing employees to report activity which concerns them through an alternative channel which side-steps their reporting line, in order to ensure independence and anonymity.

Our senior leadership, business teams, and the Compliance and Risk Management function work together to apply our global policies and standards consistently. We must ensure that existing and new compliance and risk processes are well designed, proportional, controlled and monitored. They should also lead to clear business outcomes.

This year we have seen the impact of Economic Substance legislation in many jurisdictions. Following FATCA and CRS, we continue to see change in the sphere of mandatory disclosure reporting such as with the Directive on Administrative Cooperation 6 in Europe designed to strengthen tax transparency and to address aggressive tax planning. Significant regulatory change will continue to sculpt our financial landscape in 2020 and beyond.

In line with industry developments, we continue strengthening our risk management and control frameworks. Special attention areas are regulatory compliance and, also given our tech enablement strategy, information security. For regulatory compliance the main focus is on improving the ability to review, monitor and provide oversight to client and business activities. For information security we continue to make developments to safeguard Intertrust and increase awareness of cyber threats, data leakage and privacy throughout the business.

## Risk management and internal controls

For our risk management system we use concepts of the COSO (Committee of Sponsoring Organisations of the Treadway Commission) Enterprise Risk Management (ERM) framework. This is widely accepted as a leading enterprise risk management model for larger companies. The COSO ERM framework takes the company's strategy as a starting point and defines four components of risk: strategic, operational, reporting and compliance.

We strongly advocate the 'three lines of defence model' that outlines the roles and responsibilities of the business, its support functions, compliance and risk management and internal audit functions.

### First line of defence: business

Intertrust's business teams bear primary responsibility for identifying, controlling and monitoring the risks within their processes, maintaining effective internal control frameworks and adherence to global internal and external compliance and risk policies and standards.

### Second line of defence: Compliance and Risk Management

The Compliance and Risk Management function supports, oversees and challenges the management and compliance in the businesses. We further develop and monitor the company's risk tolerance and policies. Risk Management is also responsible for the independent risk reports to the Executive Committee, Supervisory Board and the Audit and Risk Committee.

In addition, the Compliance and Risk Management team monitors changes that may impact the risk profile of the business and the appropriateness of providing new services to existing clients. The team also provides employees in every office with appropriate risk and compliance training.

### Third line of defence: Internal Audit

The independent Internal Audit function conducts audits that provide insights into how and to what extent our controls are effective in managing and mitigating risks that may jeopardise our strategic and other objectives. These audits provide management with additional assurance on the effectiveness of internal controls and risk management.

## Developments in 2019

### Quarterly risk reporting

We continued our quarterly reporting, presenting information to enable our senior management to focus on the actions necessary to further mitigate risks around the Group. Our reporting covers financial crime prevention including risk from tax evasion, prevention of terrorist financing, AML, sanction screening, compliance oversight such as breaches, complaints and incidents together with any output from our Compliance Monitoring Programme which can inform management decisions – both on a tactical and strategic level. In 2019 each of our operational client facing jurisdictions have kept an up-to-date Compliance Risk Assessment which drives their Compliance Monitoring Programmes.

### Client acceptance

Meanwhile all of our operational client facing jurisdictions are online with our revised on-boarding process in 2019. This on-boarding process allows for Intertrust to have a consistent approach across our entire client facing jurisdictions with regards to the collection of client data. Part of our technological transformation in 2020 will look to improve our on-boarding workflow with a technological solution to bring more efficiency to this process.

### Global Business Acceptance Committee

Alongside our revised on-boarding process and in order to enhance our monitoring and risk management capabilities, we have implemented a revised Global Business Acceptance Committee, chaired by the CRO. With new terms of reference, this committee supports our objective of having informed decision-making which can support effective and efficient client service operations, improve accountability. Staff will work across jurisdiction boundaries to on-board multi-jurisdiction structures through the use of combined acceptance committees. The Global Business Acceptance Committee will typically consider high risk multijurisdiction structures, implementation of new or significant changes in the delivery of services, and any potential for sanctions risks.

### Information security

Cyber security will remain an ongoing risk to us all. Our Information Security Office has continued its awareness campaign and delivered mandatory e-learning for all our staff. Employees have learnt that warning signs can include fraud indicators in emails, letters and telephone calls and certain unusual aspects of payment requests.

Cyber criminals continually subject organisations to cyber threats such as with the use of phishing emails which have a

goal of luring recipients into providing sensitive data or even transferring funds. We have implemented a reporting system for earlier detection of suspicious messages.

The Information Security Office also supports the business with a committee that looks at access requests for data, considers internal and external security threats, responds to security incidents, and enforces the Group's information security policies.

Other developments from our Information Security Office include:

- Acceptable Use policy to preserve the integrity of our technology resources (infrastructure, systems, software and data of any kind) providing direction and support for information security in accordance with business requirements and relevant laws and regulations.
- A system to warn if sensitive outgoing email traffic is being sent to the wrong recipients.
- Security awareness messages and training along with phishing simulations to ensure vigilance of users when engaging with email.
- Increased intelligent data leakage prevention capabilities help protect against the loss of specific information such as personally identifiable information (PII) and other sensitive client data.
- Continued periodic penetration tests performed by external experts on our infrastructure in the form of Black and/or Grey Box tests.
- Implementation of stronger authentication across all remote access connections in order to prevent unauthorised access to critical systems and data.

We have appointed a dedicated Chief Information Security Officer at the start of 2020, reporting to the CRO.

### Risk Control Self-Assessment

In 2019, we expanded the Company's Risk Control Self-Assessment (RCSA) to identify and validate key risks, across the whole group. We both considered the functions in Operations, HR, IT, Finance and Compliance & Risk Management as well as the local jurisdictions from which we operate our services to our clients including all our larger or regulated operational offices.

During this exercise the business identified concerns, risks and trends in strategic, operational, reporting and compliance areas, including IT systems, staff resourcing, data security and privacy, client service operations and fraud.

## Assessing our main risks

In pursuing our strategic ambitions, we are prepared to accept a *certain level of risk to achieve our objectives while remaining in alignment with our aims*. Operationally, the business continues to mitigate the downside risk of unexpected operational failures. Our management of financial and reporting risks continues to focus on alignment and improvement of our global processes. Furthermore, we guide our employees on compliance and operational risks through internal policies, procedures and controls, and by ensuring that our Code of Conduct can be adhered to at all times.

## Main risks

### People

Our people are key to the success of our Company. The inability to *recruit, retain, engage and develop high calibre employees*, and empower them with responsibility, could have an adverse effect on the level of service our clients expect.

Hence our people strategy remains focused on having a culture and image that is welcoming to all employees; providing an environment where employees are mentored, engaged, and feel rewarded and respected. We continue to invest in initiatives and personal development plans for each employee. Our succession and resource planning will support and meet our ever changing global needs.

We continue to invest in meeting regulatory obligations and upping our professional expertise. To do so we must evolve the intelligence tools that we use to better serve the needs of the business. As part of this initiative we are realigning our governance risk and compliance structure to ensure that we can continue to improve our ability to review, monitor and provide oversight to client and business activities, in a fast-paced and constantly changing legal and regulatory environment. And allow decision making at the right levels empowering our staff.

Furthermore, we will continue investment in employee training, including availability of topics through e-learning which we can deliver on demand to our employees. The development of our employees is important to achieve higher standards of quality, professionalism and conformity. Last but not least, we will also promote our Code of Conduct.

### Operational effectiveness – IT

Disruptions in our information technology and infrastructure can have an adverse material effect on our business, its continuity, the results of operations, our reputation and our financial condition.

Key areas of focus are strategies to ensure that we can continue to operate and meet demand as we transform our business to be more technologically enabled. We continue to invest in our IT infrastructure and people. The roll out of Group-wide systems, will mitigate our risks and improve the resilience of our network.

Our Business Continuity Management programme addresses potential disruptions to our operations or supply chain.

### Operational effectiveness – Data integrity and cyber security

Data is key to our business. The protection and integrity of our data is important to prevent loss of commercial opportunity whilst also maintaining an ability to monitor our security and privacy risks. It is important that we continue to improve the consistency of data quality and integrity across our jurisdictions globally. Failure to manage our client and corporate data can result in significant reputational, financial and regulatory implications. It can also damage the trust our clients have in our ability to keep their information secure.

Cyber security is an on-going risk to our business and technological transformation will continue to heighten our privacy and information security risks as our business data volumes grow, cyber security threats become more sophisticated, and some data sets converge.

To manage and mitigate this risk we regularly review and update the security controls on our network based on known security threats and the latest intelligence. Alongside the developments of our Information Security Office we continue to increase awareness among staff of the risks and implications deriving from fraud and cyber threats.

The management of operational risk is of key importance in mitigating the risk of loss from inadequate or failed internal processes, people and systems.

We actively monitor our ability to meet our key goals and objectives by delivering successful projects that will provide improvement to our business and make sure that we can stay abreast of a fast-paced and constantly changing legal and regulatory environment.

We continue to invest in solutions which will not only improve governance over the quality of our client data but also to be more proactive in identifying changes to make the delivery of our services more effective.

Global alignment of workflows and automation of processes will, during the time of transformation, provide potential for an increased risk until the new systems and processes have been fully embedded. Once complete, they will achieve efficiencies whilst increasing the effectiveness of our safeguards and controls.

## Regulation

We operate in a global and competitive market where demand for our services can also be influenced by political trends, changes in regulatory regimes and market consolidation.

We closely monitor public and political debate impacting our industry (including discussions regarding economic substance, mandatory disclosure regimes and other tax reforms) and the (potential) development of new regulations in all jurisdictions and regions where we operate.

We are conscious of the fact that changes in law and regulation in many jurisdictions can have negative as well as positive effects on our business and bring uncertainties to our existing and new clients. We continue to develop and expand our expertise and capabilities in compliance services to support new and existing clients.

It is also clear that this environment subjects us, increasingly, to regular government and supervisory reviews and public scrutiny on compliance with the high, changing and complex standards of the industry. We are committed to live up to expectations, but caution that the outcome of such reviews nor public scrutiny can be predicted.

## Reporting

We operate across many countries and have numerous reporting entities. Without sufficient internal reporting and escalation we run the risk of not being able to manage our key performance indicators to targets, forecasts, and stakeholder expectations. It is critical that all our entities report to the same standards and deliver the same high-quality of reporting in line with our financial accounting and compliance reporting principles.

We invest in technology and processes to harmonise, standardise and the use of best practices. During design and implementation of the system much attention has been paid to ensure a complete and robust control framework for internal reporting.

Ongoing attention for adequate accounting policies, a standard chart of accounts for Group reporting, standard reporting formats, periodic training and active monitoring of critical financial transactions, and segregation of duties to manage conflicts, form part of our internal control framework.

## Financial risks

The Group is funded with a mix of own capital and external capital (term loans, loan facility, senior notes), and holds bank balances and receivables in different locations and currencies. We have identified the following key financial risks which have been mitigated with proportionate measures and are monitored on different levels within the Company.

- The majority of our debt (senior notes) has a fixed interest rate. For the portion with variable rates (term loans and RCF utilisation) we have hedged 30% of the risk with interest rate swaps. Cash flow volatility resulting from the interest rate fluctuation is limited to the non-hedged part of the term loans.
- The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The exposures are mainly with respect to the US dollar (USD) and Pound Sterling (GBP). Our Group EBITDA is roughly generated for 20% in USD, 20% in GBP, and 55% in EUR. The loans and borrowings of the Group are denominated for approximately 35% in USD, 10% in GBP and 55% in EUR. With this split we have matched to a significant extent the cash flows generated by the underlying operations of the Group with the debt which provides an economic hedge. As we are in the process of repaying the USD utilisation on the RCF, the currency mix will further realign early 2020. Over the longer term, however, permanent changes in foreign exchange rates and the

availability of foreign currencies may have an impact on our financial results.

- We carry significant intangible assets on our balance sheet related to goodwill and intangibles for brand name and client relationships resulting from acquisitions. There is a risk of impairment for these assets. The conclusion of our impairment assessment as per 31 December 2019 is that no impairment is required.
- Liquidity risk includes the risk to a shortage of funds and the risk to encounter difficulty in meeting obligations associated with financial liabilities. The Group monitors its risk to a shortage of funds as integral part of our forecasting processes. A cash pool and inter-company financing enables us to provide all significant group entities with sufficient liquidity.
- Our businesses operate globally and our profits are subject to taxation in many different jurisdictions and at differing tax rates. Tax laws that currently apply to our businesses may be amended by the relevant authorities or interpreted differently by them, and these changes could adversely affect our reported results and cash tax expenses.

In the financial statements, the financial risks are discussed in Section: Financial instruments, note 23.

## Acquisition of Viteos

**The game-changing acquisition of Viteos accelerates our strategy to become a global leader in tech-enabled corporate and fund solutions.**

Key facts about Viteos:

- › A high growth provider of leading-edge technology solutions
- › Holds a top 10 position in U.S. fund administration
- › Over 80 top tier clients
- › Approximately 715 employees, including 130 technology experts
- › Operates a global delivery model with its headquarters and sales team in the U.S. supported by Centres of Excellence in India.

The combined group builds on a pre-existing technology partnership to drive further growth, digitalisation and innovation of the industry.

The acquisition of Viteos delivers:

1. Meaningful presence in the U.S. and increased exposure to funds.
2. Accelerated growth potential through the addition of new clients, services and technology solutions
3. Strengthened technology foundation through Viteos' leading-edge technologies including blockchain, workflow automation, and digitalisation.
4. A significant step towards operational excellence by leveraging Viteos' offshore Centres of Excellence in India

# Statement by the Management Board

## Management Board responsibility statement under Dutch Corporate Governance Code

In accordance with best practice 1.4.3 of the Dutch Corporate Governance Code, the Management Board is responsible for establishing and maintaining adequate internal risk management and control systems. Intertrust manages strategic, operational, compliance and finance/reporting risks by applying a global internal risk management and control framework.

The risk management and control framework is designed to mitigate risks and provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations;
- Reliability of financial and non-financial information;
- Compliance with laws, regulations and internal policies;
- Safeguarding assets, identification and management of liabilities; and
- Strategic goals of Intertrust.

During 2019, the design, alignment, monitoring and reporting on key processes and the internal control framework has continued to be a key objective for the Company.

In 2019, various aspects of risk management were discussed by the Executive Committee, including the results of the annual Risk Control Self-Assessment (RCSA) and the progress to mitigate risks in risk registers. The responsibilities concerning risk management and compliance, as well as the role and responsibilities of our three lines of defence were also discussed with senior management. In addition, the results of the RCSA and the design and harmonisation of key processes have been reviewed by the Audit and Risk Committee and the Supervisory Board. The review did not highlight any material risk and/or major control deficiency and concluded an overall improvement of the organisation.

Intertrust prepared the 'In Control Statement' for 2019 in accordance with best practice provision 1.4.3 of the new Dutch Corporate Governance Code. With due consideration to the above and reference to the information described in the Compliance and Risk Management chapter on page 32 of this Annual Report, the Management Board believes that (i) that

sufficient insights are provided in the mentioned Compliance and Risk Management chapter into any failings in the effectiveness of internal risk management or internal control systems; and (ii) those systems provide reasonable assurance that the Intertrust Annual Report 2019 does not contain any material inaccuracies.

It should be noted that the above does not imply that internal risk management, nor the internal control systems and procedures provide absolute assurance to Intertrust as to the realisation of financial and strategic business objectives, or that internal risk management and control systems can prevent or detect all misstatements, inaccuracies, errors, fraud and non-compliance with legislation, rules and regulations.

There are a number of risks in areas where applicable regulations may be unclear, subject to multiple interpretations or under development, or where regulations may conflict with one another, or where regulators revise their previous guidance or courts overrule previous rulings. Despite our efforts to maintain effective compliance procedures and to comply with applicable laws and regulations we therefore cannot rule out the risk of non-compliance with applicable standards. We are committed to conducting our business with integrity, and regulatory compliance remains the priority for 2020 and beyond.

The Management Board confirms that based on the current state of affairs and to the best of its knowledge, it is justified that the financial reporting is prepared on a going concern basis and that the Annual Report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report.

With reference to section 5.25c paragraph 2, sub c of the Financial Markets Supervision Act (*Wet op het financieel toezicht*), the Management Board states that, to the best of its knowledge:

- The annual financial statements for 2019 give a true and fair view of the assets, liabilities, financial position and profit or loss of Intertrust Group and its subsidiaries;
- The Annual Report gives a true and fair view of the state of affairs as per 31 December 2019 and the course of business during 2019 of Intertrust Group and of its affiliated companies of which data is included in the annual financial statements, together with a description of the principal risks facing Intertrust Group.

Stephanie Miller, Chief Executive Officer  
Rogier van Wijk, Chief Financial Officer

# Report from the Supervisory Board

2019 was another eventful year for the Supervisory Board of Intertrust N.V. (Intertrust or the Company). It was a year in which the acquisition of Viteos played an important role in paving the way for a journey towards a tech-enabled future.

2019 was also the year in which Blackstone reduced its shareholding in Intertrust to almost zero leading to the departure of Lionel Assant, a highly valued Blackstone nominated Supervisory Board member who had been with the Company since 2014. In addition, during the year, the Management Board was again reduced to two members with the departure of Henk Pieter van Asselt (CCO) who had been with the Company for 14 years and was instrumental in growing the Company to become one of the world's leading providers of corporate services. In September 2019, Hans Turkesteen stepped down as Chief Financial Officer (CFO) of the Company. During his time with Intertrust, Hans significantly contributed to the success of the Company evolving the strategy, setting up a strong financial framework, successfully refinancing the Company and helping to secure Viteos to accelerate Intertrust's strategy. The Supervisory Board is pleased to have found a suitable successor to Hans from its internal resources by nominating Rogier van Wijk to the Management Board. Rogier has been with the Company since 2017 as Group Controller and with more than 20 years of experience as dedicated finance professional including in leadership roles. Rogier is expected to play a significant role in delivering on Intertrust's strategic objectives.

In addition, 2019 was also the year in which the Supervisory Board presented Intertrust's new Remuneration Policy to the General Meeting. The review of the Remuneration Policy took into account several factors including the long-term strategic opportunities and challenges that Intertrust will face in the next few years, the external corporate governance environment, the views of Intertrust's employees and senior stakeholders and commentary from shareholders and proxy advisory bodies. On 28 November 2019, the shareholders of Intertrust approved the proposed Remuneration Policy with an overwhelming majority of the votes cast. With the amended Shareholders Rights Directive (Directive) coming into effect in the Netherlands on

1 December 2019, Intertrust is very proud to be an early adopter of the requirements of the Directive.

## Composition, diversity and independence of the Supervisory Board

Since 21 August 2015, Intertrust has had a two-tier corporate structure under Dutch law in which the Supervisory Board functions as a separate corporate body with full independence from the Management Board. The Supervisory Board is charged with supervising the policies of the Management Board and the *general course of affairs of the Company and its subsidiaries*. The composition of the Supervisory Board is such that members act independently and critically from each other, the Management Board, the Executive Committee, and any particular interest. The background, knowledge and expertise of each Supervisory Board member adds to the board's effectiveness, enabling it to fulfil its duties in the Company's best interests. The members of the Supervisory Board as of 31 December 2019 are listed in the table. For full individual biographies, please refer to the Supervisory Board section (see page 59) in the Corporate Governance chapter of this Annual Report.

The Supervisory Board aims to have a strong representation of diversity in terms of gender, age, career stage and nationality. The current composition of the Supervisory Board complies with the gender criteria prescribed by article 2:166 of the Dutch Civil Code in that it includes 30% female representatives. When a vacancy arises within the Supervisory Board, gender is an aspect that is taken into consideration during the search for a suitable candidate. Intertrust believes that diversity, both in terms of gender and background, is critical to its ability to be open to different ways of thinking and acting, eventually enhancing its long-term sustainability.





**Hélène Vletter-van Dort (Dutch)**

Chairperson and Independent Supervisory Board Member

Member of the Remuneration, Selection and Appointment Committee



**Stewart Bennett (British)**

Vice-Chairperson and Independent Supervisory Board Member

Member of the Audit and Risk Committee



**Toine van Laack (Dutch)**

Independent Supervisory Board Member

Chairman of the Audit and Risk Committee



**Anthony Ruys (Dutch)**

Independent Supervisory Board Member

Member of the Remuneration, Selection and Appointment Committee (Chairman until 12 December 2019)



**Charlotte Lambkin (British)**

Independent Supervisory Board Member

Chairperson of the Remuneration, Selection and Appointment Committee (Since 12 December 2019)



**Paul Willing (British)**

Supervisory Board Member, Former CEO of Flair – not considered independent under the Dutch Corporate Governance Code.

Member of the Audit and Risk Committee

Introduction	Our strategy	Business performance	<b>Governance</b> Report from the Supervisory Board	Financial statements
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Until 16 May 2019, two out of six Supervisory Board members, Lionel Assant and Paul Willing, were not considered independent within the meaning of best practice provision 2.1.8 of the Corporate Governance Code. Please refer to the Supervisory Board section (see page 59) in the Corporate Governance chapter of this Annual Report for more details. With the resignation of Lionel Assant per 16 May 2019, the number of non-independent members of the Supervisory Board was reduced to one for the remainder of the year.

## Activities and meetings of the Supervisory Board in 2019

During the year, the Supervisory Board had access to all necessary relevant information and company personnel to effectively carry out its fiduciary duties in a timely fashion.

The Supervisory Board formally met seven times in person and twice by conference call. In addition, the Supervisory Board had numerous conference calls and meetings on a number of topics which required their attention and deliberation, mainly relating to the Viteos acquisition. This ultimately led to the Supervisory Board approval of the acquisition on 17 June 2019.

The overall attendance rate was 89%. In all meetings there was sufficient presence to constitute a valid quorum.

Recurring topics at these Board meetings included:

- CEO report
- CFO report
- Strategy
- Monthly results
- Mergers & Acquisitions, including Viteos acquisition

- HR related matters
- Committee reports and recommendations (where applicable)

Additional topics discussed in more depth during 2019 included:

- Succession planning of the Management Board and Executive Committee
- KPIs: Management Board and Executive Committee
- Governance framework
- New Remuneration Policy
- New share incentive plans
- Intertrust share plan awards and grants
- Compensation Supervisory Board
- Nomination for (re)appointment of Supervisory Board members
- Annual results 2018 and related reports and press releases
- (Interim) dividend distribution
- External audit opinion and audit report 2018
- Interim financial statements and the review report from the external auditor
- Nomination for reappointment of external auditor
- Engagement of external auditor
- Approval external audit plan 2019
- Quarterly results 2019 and related reports and press releases
- Forecasts
- Budget 2020
- Financial plan 2020-2022
- Capital allocation
- Tax matters
- Internal audit plan 2019
- Internal audit reports and recommendations
- IT strategy and priorities
- Integration of Viteos
- Compliance update

## Composition Supervisory Board

Name	Date of birth	Gender	Profession	Year appointed	Year of possible re-appoint-ment	Nr of terms	Other non-executive positions
Hélène Vlotter-van Dort	15 October 1964	Female	Professor of Financial Law & Governance at Erasmus School of Law, University of Rotterdam	2015	2023	2	1
Toine van Laack	4 April 1963	Male	Non-executive director	2017	2021	1	4
Anthony Ruys	20 July 1947	Male	Non-executive director	2015	2023	2	1
Charlotte Iambkin	1 February 1972	Female	Non-executive director	2017	2021	1	0
Paul Willing	17 December 1965	Male	Non-executive director	2017	2021	1	3
Stewart Bennett	30 March 1971	Male	Global Head of Alternatives at BMO Global Asset Management	2019	2023	1	1

- Risk Management update
- Regulatory inspections
- Legal updates
- Sales and business development strategy
- Global Operations
- Industry developments
- Annual Report

The Supervisory Board also had in-depth sessions regarding some jurisdictions, during which they were given detailed information about the relevant Intertrust business operations, regulatory inspections as well as the main risks and opportunities in these markets. In 2019 the Supervisory Board visited the Cayman Islands and Ireland for in-depth jurisdictional sessions.

The Supervisory Board adopted written resolutions during the year to approve, amongst others, the following items:

- New Remuneration Policy
- New share incentive plan Management Board
- Nomination of CFO to the Management Board
- Management agreement of new CFO

The Chairperson and other members of the Supervisory Board maintained regular contact with Intertrust's CEO, other members of the Management Board and members of the Executive Committee during the year to address relevant topics.

The members of the Supervisory Board continued their Permanent Education programme in order to remain updated on any relevant developments which would enable them to perform their supervisory tasks. During 2019, two Permanent Education sessions were held for the Supervisory Board. All sessions were presented by external parties.

## Activities of the Supervisory Board committees

During the year, the Supervisory Board was supported by two committees: the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee. The committees are responsible for preparing items delegated to them on which the Chairperson of each committee provides verbal reports on the discussions of each committee and the recommendations to the Supervisory Board.

The charter of each committee is published on the Company's website.

### Audit and Risk Committee

The Audit and Risk Committee consists of three members. As of 31 December 2019, these members were: Toine van Laack (Chairperson), Stewart Bennett and Paul Willing. The Audit and Risk Committee assists the Supervisory Board in fulfilling oversight responsibilities with regard to matters including: the integrity and quality of the Company's financial statements; the financial reporting process; the effectiveness of the Company's internal risk management and control systems; the internal and external audit process; and the Company's process for monitoring compliance with applicable laws, regulations and regulatory requirements, the Corporate Governance Code and the Company's Code of Conduct.

The Audit and Risk Committee met eight times during 2019 with an attendance rate of 87.5%. Additionally, most meetings were also attended by the CEO, the CFO, the External Auditor and the Group Head Internal Audit. Several meetings were also attended by the CRO.

In addition, the Chairperson of the Audit and Risk Committee had several individual meetings with the CFO and CRO.

The Audit and Risk Committee meetings included the following items and topics:

## Meeting Attendance of Supervisory Board members

Meeting attendance	Supervisory Board	Audit & Risk Committee	Remuneration, Selection and Appointment Committee	Total
Hélène Vletter-van Dort	9 out of 9	4 out of 4	5 out of 5	18
Lionel Assant	2 out of 6	1 out of 4	n/a	3
Toine van Laack	9 out of 9	8 out of 8	n/a	17
Anthony Ruys	7 out of 9	n/a	4 out of 5	11
Charlotte Lambkin	9 out of 9	n/a	5 out of 5	14
Paul Willing	9 out of 9	4 out of 4	n/a	13
Stewart Bennett	3 out of 3	4 out of 4	n/a	7

Financials	Outlook	Business performance	<b>Governance</b> Report from the Supervisory Board	Financial statements
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- Annual accounts and Annual Report 2018
- External audit opinion and audit report 2018
- Audit plan by the external auditor and the related audit fees
- Advice to the Supervisory Board regarding nomination for reappointment external auditor
- Proposal to the Supervisory Board regarding external auditor's engagement
- Approval external audit plan 2019
- Report to the Supervisory Board on the functioning of the external auditor
- Quarterly and half-year results, financial statements and related press releases
- Forecasts and guidance
- (Interim)dividend
- Interim financial statements and the review report from the external auditor
- Review of half-year results by external auditor
- Compliance and Risk Management update and self-assessment
- Regulatory inspections
- Internal audit plan 2019
- In control statement
- Legal and tax update

## Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee consists of three members. As at 31 December 2019, these members were: Charlotte Lambkin (Chairperson since 12 December 2019), Anthony Ruys and Hélène Vletter-van Dort. The Remuneration, Selection and Appointment Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors the Remuneration Policy. Its responsibilities include: setting Remuneration Policy and compensations standards; preparing proposals concerning the individual remuneration of the members of the Management Board; and monitoring incentive and equity-based compensation plans. Furthermore, the Remuneration, Selection and Appointment Committee is responsible for the selection and appointment procedure of members of the Management Board and of the Supervisory Board. The committee meets at least twice a year.

The Remuneration, Selection and Appointment Committee held five official meetings during 2019. These meetings had a 93% attendance rate. The following items and topics were on the agenda for these meetings:

- New Remuneration Policy
- New share incentive plans
- Intertrust share plan awards and grants
- Compensation Supervisory Board

- Short Term Incentive (STI) – members Management Board and Executive Committee
- STI scorecard Management Board
- Performance evaluation – Management Board and Executive Committee members
- Management Board and Executive Committee succession and development plan
- KPI's and target setting 2019 – Management Board and Executive Committee
- Pay ratio
- Governance structure 2019
- Remuneration package new CFO
- Management Board members' views on own remuneration
- Staff turnover and strategic plan

The Remuneration, Selection and Appointment Committee ensures that the remuneration of the members of the Management Board is consistent with the Remuneration Policy which was adopted by Intertrust's shareholders on 28 November 2019. Please refer to the Remuneration chapter (see page 45) for more information on the Remuneration Policy.

## Self-assessment

In 2019, the assessment of the Supervisory Board was done based on bespoke questionnaires prepared by an external party. These questionnaires covered the functioning of the Supervisory Board as a whole, the functioning of the Chairperson and that of its two committees. The report prepared by the external party was shared in January 2020 and will be discussed during the Supervisory Board meetings scheduled for February 2020.

Additionally, the Management Board conducted an evaluation of its own functioning by completing a questionnaire. The outcome of this self-evaluation and the steps to be taken in 2020 were discussed among the members of the Management Board.

# Remuneration report

The Remuneration Policy was originally adopted in September 2015 and an amended version was approved at the Annual General Meeting of 16 May 2017. On 28 November 2019 a new Remuneration Policy was adopted at the Extraordinary General Meeting (EGM). Any subsequent amendments to it as applicable to the Management Board are subject to adoption by shareholders at a General Meeting.

This remuneration report is issued by the Supervisory Board based on the Remuneration, Selection and Appointment Committee's recommendations. This report presents an overview of the Remuneration Policy, the remuneration structure, the application of the Remuneration Policy and the components of the remuneration of the Management Board. In addition, the Remuneration, Selection and Appointment Committee is informed about the remuneration of direct reports to the Management Board, including applicable short-term and long-term incentive arrangements.

## Remuneration principles

The Management Board is responsible for executing the Company's strategic plan. The Remuneration, Selection and Appointment Committee ensures that the performance metrics used in the Company's variable remuneration incentive plans hold the members of the Management Board accountable for the successful delivery of this plan. Therefore, it is the Remuneration, Selection and Appointment Committee's view that a variable compensation component should be directly linked to the Company's strategic objectives and key performance indicators, i.e. a combination of financial and non-financial performance measures and individual performance objectives.

Early in 2019, the Remuneration, Selection and Appointment Committee reviewed the Remuneration Policy adopted in 2017. The new Remuneration Policy is designed to take into account written and verbal feedback from shareholders, proxy advisors and other stakeholders. Increased transparency in various elements of our Remuneration Policy are introduced and the policy was developed in line with the requirements of the amended Shareholder Rights Directive. The new

Remuneration Policy is available on the corporate website in the Corporate Governance section.

The Remuneration Policy is based on the following remuneration principles:

1. The Remuneration Policy should enable the Company to attract, motivate and retain qualified employees;
2. The Remuneration Policy should serve the Management Board and, in alignment, help to develop and maintain a dynamic and engaged talent pool;
3. The Remuneration Policy should provide for a balanced remuneration package that is focused on achieving sustainable financial results, shall align the interests of management with shareholders and other stakeholders including clients, employees and wider society;
4. Remuneration structure and performance metrics should be generally consistent for the Management Board and senior managers to build a cohesive culture and encourage teamwork to drive Company success;
5. Performance-related remuneration should be weighted towards the long-term reflecting our focus to deliver high-quality expert services based on long-term relationships. We aim for our global businesses to grow sustainably and reward behaviours that are aligned to our values: Responsive, Excellent, Innovative and Connected;
6. The Remuneration Policy should be simple, clear and transparent.

The Remuneration, Selection and Appointment Committee ensures that the remuneration of the members of the Management Board is consistent with this Remuneration Policy but has the discretion to deviate where necessary to ensure the principles outlined above are met.

## Management Board Remuneration Policy and 2019 result

Rogier van Wijk replaced Hans Turkesteen as Intertrust's CFO on 12 September 2019 and was appointed as member of the Management Board at the EGM of 28 November 2019. The remuneration of Rogier van Wijk was also approved by the shareholders on 28 November 2019. Hans Turkesteen will remain with Intertrust until 31 March 2020. We refer to the Management Board section in the Corporate Governance chapter.

The remuneration structure for members of the Management Board is designed to balance short-term operational performance with the long-term objectives of the Company and value creation for its stakeholders. The remuneration package consists of:

- Annual base salary
- Short-term incentive
- Long-term incentive
- Other benefits

### Annual base salary

The base salary represents a fixed cash compensation that is set based on the level of responsibility and performance of each executive. The base salary of the members of the Management Board is annually benchmarked to peers in the AMX index comparable with Intertrust in terms of level of business complexity and scope, and other benchmarks as considered appropriate by the Remuneration, Selection and Appointment Committee.

### Variable income

The variable income policy comprises the following instruments which help to strengthen the Management Board's commitment to the Company's objectives and business strategies:

- Short-term incentive (STI) in cash.
- Long-term incentive (LTI) awards of conditional shares (Performance Share Plan, 'PSP'), subject to achieving predetermined performance targets and continued employment.

The Supervisory Board will decide upon each award of variable compensation, taking into account both financial and non-financial performance for each individual member of the Management Board. The award is subject to financial performance criteria based on the Company's strategic objectives and key performance indicators and his or her specific responsibilities to determine their relative weighting.

For 2019, the Supervisory Board has set specific criteria for the Management Board that reflect the relevant performance indicators of Intertrust Group as a listed company.

The Supervisory Board analyses possible outcomes of the variable income components and the effect on Management Board remuneration. This analysis is conducted annually.

### Short-term incentive (STI)

The STI is an annual cash bonus. The objective of the STI is to ensure that management is focused on realising pre-established short-term objectives that are aligned to the Company's strategy and appropriately reflect both quantitative and qualitative criteria. The target and maximum bonus opportunity, and the targets pertaining to these are for the Management Board to be set annually at the discretion of the Remuneration, Selection and Appointment Committee, in accordance with the Remuneration Policy.

#### Management Board STI award as % of base salary

CEO	30% – 100%
Other members	30% – 100%

The short-term incentive for 2019 was based on the following criteria:

#### 70% financial targets

- Revenue growth
- EBITA growth

#### 30% non-financial targets

- Strategic projects
- People

The cash bonus for 2019 was approved by the Supervisory Board of the Company on 5 February 2020. The resulting STI award for 2019 amounted to EUR 600,000 for CEO Stephanie Miller and 21,193 EUR for CFO Rogier van Wijk, as of the date of his appointment as a member of the Management Board.

### Long-term incentive (LTI)

The LTI intends to drive long-term performance of key employees, support retention and further strengthen alignment with shareholders' interests. An LTI award consists of an award of conditional performance shares that become unconditional at the end of a three-year performance period. It is subject to achieving predetermined targets based on Absolute Total Shareholder Return (Absolute TSR) with 70% weighting, Underlying revenue growth with 30% weighting and to continued employment. The number of conditional performance shares that vest after three years may vary between 0% and 200% of the number of conditionally

awarded shares, where the shares will vest for 100% upon attainment of a compounded annual growth of 12% of Absolute TSR over the three-year performance period (for the LTI cycle 2019–2021):

Absolute TSR (compounded annual growth)	Vesting
Below threshold < 8%	0%
Threshold 8%	50%
At target 12%	100%
Maximum >= 16%	200%

The vesting percentage is allocated linearly between the threshold, at target and maximum levels, based on the principles set out in the Remuneration Policy and will be a number between 0% and 200% of the number of performance shares awarded, as set out above.

The Absolute TSR target and the Underlying revenue growth target (below threshold, threshold, target, and maximum) will be set annually by the Supervisory Board, for a three-year period. The performance period starts 1 January and ends three years later on 31 December. Given that these targets are considered competitively sensitive, the targets and the achieved performance will be published in the annual report after the three-year vesting period.

Shares acquired at the end of the three-year performance period by members of the Management Board are required to be held for a further period of two years in accordance with the best-practice provisions of the Dutch Corporate Governance Code, except for the LTIP shares that can be sold to cover income taxes due. LTI awards to members of the Management Board are made at the discretion of the Supervisory Board in accordance with the Remuneration Policy.

#### Management Board LTI award as of % of base salary

CEO	100%
CFO	75%

LTI plans, which started in 2016, vested on 1 April 2019.

The LTIP awards for 2019 for the members of the Management Board were set by the Supervisory Board of the Company on 28 November 2019.

The CEO, Stephanie Miller, was awarded 35,108 shares for performance year 2018 and 35,108 shares for performance year 2019. The CFO, Rogier van Wijk, was awarded 4,388 shares for performance year 2019 as of the date of his appointment as a member of the Management Board.

#### Pension arrangements

The CEO, Stephanie Miller, received a pension compensation of 25% of her base salary. A similar set-up was applicable to the CFO, Rogier van Wijk and Hans Turkesteen up to resignation.

The CCO, Henk Pieter van Asselt, participated in a defined contribution plan with the age-based contribution level ranging from 6.9% to 24.5% up to his resignation.

#### Other benefits

Members of the Management Board were eligible for a range of other benefits, such as healthcare insurance, lease car and housing allowance. As per 31 December 2019, the members of the Management Board have no loans outstanding with Intertrust and no guarantees or advanced payments are granted to members of the Management Board. No member of the Management Board is entitled under his or her contract to be paid a severance payment upon termination of their appointment that exceeds one time their gross annual base pay in the preceding financial year.

2019 and comparative 2018 tables relating to the Management Board's LTIP and EOP commitments and movements and their overall Management Board remuneration can be found in the Remuneration of key management personnel paragraph.

#### Group performance

The following table shows the 5 year's history of the performance of the Group. Figures are representing full financial year performance.

	2019	2018	2017	2016	2015
Revenue (EUR'000)	543,340	496,056	485,216	385,753	344,590
Adjusted revenue (EUR'000)	544,883	496,056	485,216	385,753	344,854
Adjusted EBITA (EUR'000)	196,914	185,865	185,132	153,771	140,415
Basic EPS (EUR)	1.01	1.00	0.97	0.58	0.12
Diluted EPS (EUR)	1.00	0.99	0.94	0.58	0.12
Average staff cost (EUR'000)	78.6	86.3	85.8	88.3	85.3

## Application of the Remuneration Policy in 2019

The average total staff expenses, including the variable and deferred remuneration, for all Intertrust employees (excluding the Executive Committee and Management Board) amounted to EUR 78,595 in 2019 (2018: EUR 86,339).

### Remuneration ratio

This amount compared with the actual compensation earned by Stephanie Miller in 2019 (including base salary, cash allowances, short term incentive paid over 2019 and expenses related to long term incentives in 2019), amounting to EUR 1,773,728 resulting in a remuneration ratio of 1:23, compared to a ratio of 1:16 in 2018.

## Remuneration – Supervisory Board

The remuneration of the members of the Supervisory Board consists of fixed annual fees for their role as Supervisory Board members. In addition, the Chairpersons of the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee, respectively, receive a fixed annual fee for these roles. The Blackstone representative on the Supervisory Board did not receive remuneration for its role during the year.

The annual fees of the Supervisory Board were revised at the AGM of 16 May 2019. The various board compositions in 2019 are further explained in the Report from the Supervisory Board chapter on page 40 of this Annual Report.

### Annual fees per function in the Supervisory Board (in EUR '000 and gross)

Function in Supervisory Board	Fixed annual fee <sup>1</sup>
Chairperson	75
Member	50

<sup>1</sup> Excluding a fixed annual expense allowance of EUR 5k.

### Annual fees per function in committees of the Supervisory Board (in EUR '000 and gross)

Function in committees of Supervisory Board	Fixed annual fee
<b>Audit and Risk Committee</b>	
Chairperson	15
Member	7,5
<b>Remuneration, Selection and Appointment Committee</b>	
Chairperson	10
Member	5

The Company does not grant variable remuneration, shares or options to members of the Supervisory Board. As per 31 December 2019, the members of the Supervisory Board have no loans outstanding with Intertrust and no guarantees or advanced payments are granted to members of the Supervisory Board.

Company-related travel and lodging expenses, in relation to meetings, are paid by Intertrust.

An overview of the fees of Supervisory Board members can be found in later in this Chapter.

## Remuneration of key management personnel

### Transactions with key management personnel

The Group has defined key management personnel as the members of the 2019 Supervisory Board, Management Board and Executive Committee of the Group, responsible for the strategic and operational activities.

### Key management personnel compensation

Key management personnel compensation comprises:

(EUR '000)	2019	2018
Short-term employee benefits	6,767	6,262
Post-employment benefits	201	133
Share-based payment <sup>1</sup>	2,810	909
Other benefits <sup>2</sup>	1,493	700
<b>Total</b>	<b>11,271</b>	<b>8,004</b>

<sup>1</sup> This includes the expenses recognised by the Group related to the EOP and LTIP awards made to key management personnel.

<sup>2</sup> Including Rollover share plan costs.

<sup>3</sup> Including termination benefits.

### Management Board

For the individual members of the Management Board, the Group recognised the following remuneration expenses:



## 2019 remuneration

(EUR 000)	Base salary	Other benefits	Short-term incentive <sup>2</sup>	Deferred remuneration	Total <sup>3</sup>	Extraordinary expense from total	Annualised total <sup>4</sup>
Stephanie Miller	600	184	600	390	1,774	-	1,774
Hans Turkesteen <sup>5</sup>	538	608	310	134	1,590	560	-
Henk Pieter van Asselt <sup>6</sup>	245	20	-	132	397	-	-
Rogier van Wijk <sup>7</sup>	32	9	21	13	75	-	855
<b>Total</b>	<b>1,415</b>	<b>821</b>	<b>931</b>	<b>669</b>	<b>3,836</b>	<b>560</b>	<b>2,629</b>

## 2018 remuneration

(EUR 000)	Base salary	Other benefits <sup>1</sup>	Short-term incentive <sup>2</sup>	Deferred remuneration	Total <sup>3</sup>	Extraordinary expense from total	Annualised total
Stephanie Miller	496	104	352	225	1,177	-	1,318
Hans Turkesteen	83	4	38	21	146	-	711
Henk Pieter van Asselt	350	373	250	222	1,195	350	-
David de Buck <sup>8</sup>	37	4	-	28	69	-	-
<b>Total</b>	<b>966</b>	<b>485</b>	<b>640</b>	<b>496</b>	<b>2,587</b>	<b>350</b>	<b>2,028</b>

<sup>1</sup> Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable.

<sup>2</sup> Short-term remuneration represents accrued bonuses to be paid in the following financial year.

<sup>3</sup> The remunerations of the Management Board are presented for the period they were part of the Management Board.

<sup>4</sup> As the costs contain expenses on an accrual basis and in line with Group Accounting Policies, the comparison for share based payments is presented in details in the tables hereafter showing the Management Board awards. In the annualised total, only those members of the Management Board are shown if they were in charge as at 31 December 2019 or 31 December 2018 respectively.

<sup>5</sup> Resigned and stepped down from the Management Board as of 12 September 2019 but remains employed by Intertrust up to 31 March 2020.

<sup>6</sup> Resigned in 2018 and left the Management Board on 16 May 2019 and remained employed by Intertrust until 31 July 2019.

<sup>7</sup> Effective 28 November 2019, Rogier van Wijk became member of the Management Board.

<sup>8</sup> Effective 22 January 2018, Stephanie Miller replaced David de Buck as Intertrust's CEO. David de Buck remained employed by Intertrust up to 17 May 2018.

## 2019 deferred remuneration

(EUR 000)	EOP <sup>1</sup>	Other LTI <sup>1</sup>	Pension costs	Total
Stephanie Miller	-	240	150	390
Hans Turkesteen	-	-	134	134
Henk Pieter van Asselt	-	125	-	132
Rogier van Wijk	-	5	8	13
<b>Total</b>	<b>-</b>	<b>370</b>	<b>299</b>	<b>669</b>

## 2018 deferred remuneration

(EUR 000)	EOP <sup>1</sup>	Other LTI <sup>1</sup>	Pension costs	Total
Stephanie Miller	-	101	124	225
Hans Turkesteen	-	-	21	21
Henk Pieter van Asselt	94	112	16	222
David de Buck <sup>2</sup>	29	(5)	4	28
<b>Total</b>	<b>123</b>	<b>208</b>	<b>165</b>	<b>496</b>

<sup>1</sup> Represents the expense recognised during the year in accordance with IFRS2, share-based payment, related to the EOP and LTI awards.

<sup>2</sup> EOP accelerated vested on 1 May 2018 with the approval of the Supervisory Board.

Intertrust	Our strategy	Business performance	Governance Remuneration report	Financial statements
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#### 2017 remuneration

(EUR 000)	Base salary	Other benefits <sup>1</sup>	Short-term incentive <sup>2</sup>	EOP <sup>3</sup>	Other LTI <sup>3</sup>	Pension costs	Total <sup>4</sup>
David de Buck <sup>5</sup>	350	50	250	323	82	15	1,070
Ernesto Traulsen <sup>6</sup>	197	117	-	-	-	15	329
Maarten de Vries <sup>7</sup>	481	140	-	-	-	-	621
Henk Pieter van Asselt	50	3	37	17	7	1	115
<b>Total</b>	<b>1,078</b>	<b>310</b>	<b>287</b>	<b>340</b>	<b>89</b>	<b>31</b>	<b>2,135</b>

<sup>1</sup> Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable, and pension compensation.

<sup>2</sup> Short-term remuneration represents accrued bonuses to be paid in the following financial year.

<sup>3</sup> Represents the expense recognised during the year in accordance with IFRS2, share-based payment, related to the EOP and LTIP awards.

<sup>4</sup> The remunerations of the Management Board are presented for the period they were part of the Management Board.

<sup>5</sup> Effective 22 January 2018, Stephanie Miller replaced David de Buck as Intertrust's CEO. David de Buck remained employed by Intertrust up to 17 May 2018.

<sup>6</sup> Ernesto Traulsen resigned per 16 January 2017.

<sup>7</sup> Maarten de Vries resigned per 31 December 2017.

#### 2016 remuneration

(EUR 000)	Base salary	Other benefits <sup>1</sup>	Short-term incentive <sup>2</sup>	EOP <sup>3</sup>	Other LTI <sup>3</sup>	Pension costs	Total <sup>4</sup>
David de Buck <sup>5</sup>	350	51	80	238	33	14	766
Ernesto Traulsen <sup>6</sup>	353	11	60	(12)	-	61	473
<b>Total</b>	<b>703</b>	<b>62</b>	<b>140</b>	<b>226</b>	<b>33</b>	<b>75</b>	<b>1,239</b>

<sup>1</sup> Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable, and pension compensation.

<sup>2</sup> Short-term remuneration represents accrued bonuses to be paid in the following financial year.

<sup>3</sup> Represents the expense recognised during the year in accordance with IFRS2, share-based payment, related to the EOP and LTIP awards.

<sup>4</sup> The remunerations of the Management Board are presented for the period they were part of the Management Board.

<sup>5</sup> Effective 22 January 2018, Stephanie Miller replaced David de Buck as Intertrust's CEO. David de Buck remained employed by Intertrust up to 17 May 2018.

<sup>6</sup> Ernesto Traulsen resigned per 16 January 2017.

#### 2015 remuneration

(EUR 000)	Base salary	Other benefits <sup>1</sup>	Short-term incentive <sup>2</sup>	EOP <sup>3</sup>	Other LTI <sup>3</sup>	Pension costs	Total <sup>4</sup>
David de Buck <sup>5</sup>	350	71	100	375	-	14	910
Ernesto Traulsen <sup>6</sup>	361	19	94	94	-	62	630
<b>Total</b>	<b>711</b>	<b>90</b>	<b>194</b>	<b>469</b>	<b>-</b>	<b>76</b>	<b>1,540</b>

<sup>1</sup> Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable, and pension compensation.

<sup>2</sup> Short-term remuneration represents accrued bonuses to be paid in the following financial year.

<sup>3</sup> Represents the expense recognised during the year in accordance with IFRS2, share-based payment, related to the EOP and LTIP awards.

<sup>4</sup> All members remunerations are presented from and to the period they were part of the Management Board.

<sup>5</sup> Effective 22 January 2018, Stephanie Miller replaced David de Buck as Intertrust's CEO. David de Buck remained employed by Intertrust up to 17 May 2018.

<sup>6</sup> Ernesto Traulsen resigned per 16 January 2017.

### Description of the share based payments

The Company has implemented and made awards to members of the Management Board and key management personnel under the following equity-settled share-based payment plans:

- a) Executive Ownership Plan (EOP);
- b) Employee Stock Ownership Plan (ESOP);
- c) Long Term Incentive Plan for employees granted in 2016, 2017 and 2018 (LTIP 1-4);
- d) Long Term Incentive Plan for Executive Committee (LTIP 5);

- e) Employee Share Deferral Plan 2019 (SDP);

- f) Performance Share Plan 2019 (PSP); and

- g) Vileos Rollover Share Plan (VRS).

### a) Executive Ownership Plan (EOP)

In 2015, the members of the Management Board and selected eligible members of senior management were invited to make a one-off investment in the Company's shares at a share price equal to the introduction price of one Company share on Euronext Amsterdam at the time of the IPO. In addition, shares representing 14% of the total investment amount were allocated to the eligible participants for no consideration.

For each of the acquired/allocated shares, the participants were awarded the conditional right to receive one Company share for every three EOP shares (the Matching Shares) for no consideration. These Matching Shares were vested in 2018 on the third anniversary of the IPO settlement date to the extent that the participant still (i) held all the EOP shares and (ii) was employed by the Company on this date. The grant date fair value of the Matching Shares was therefore expensed over a period of 3 years starting on the IPO settlement date.

The Matching Shares awarded in 2015 did not entitle the participants to receive dividends during the vesting period.

EOP matching shares vested in 2018.

### b) Employee Stock Ownership Plan (ESOP)

On 1 February 2017, the Management Board has made a one-time award of the Company's shares (ESOP Shares) to eligible employees from Azcona, to celebrate Azcona and Intertrust joining forces. These awards entitled each eligible employee to receive shares for no consideration, subject to continued employment for a period of one year from the acquisition date. Participants were not entitled to receive dividends during the vesting period. Last ESOP shares vested in February 2018.

### c) Long term Incentive Plan (LTIP 1-4)

As referred to in the 2015 Remuneration Policy, the LTIP was implemented during the first half year of 2016. Conditional performance shares were awarded to members of the Management Board and eligible members of senior management on 1 April 2016 (LTIP 1-2), 1 April 2017 (LTIP 3) and 1 April 2018 (LTIP 4).

Performance shares are awarded on an annual basis and vest on the third anniversary of the grant date subject to (i) the participant remaining in continuous employment during the vesting period and (ii) the Group meeting the pre-determined performance criteria. Participants are not entitled to receive dividends during the vesting period.

For all performance cycles 2016-2019, 2017-2020 and 2018-2021, an adjusted Earnings per Share (adjusted EPS) growth performance target applied. Subject to meeting the

service condition, the number of LTIP Shares that vest will be between 0% (adjusted EPS growth below the threshold) and 150%. The vesting percentage was allocated linearly between the threshold level and 100% and also from 100% to the maximum level. The first LTIP grants vested on 1 April 2019.

*In addition, following the acquisition of Elian, the Management Board awarded performance shares under the LTIP to eligible Elian employees on 1 November 2016. These awards had the same vesting conditions (including the same vesting date) as the performance shares granted on 1 April 2016 and those shares also vested on 1 April 2019.*

### c) Long Term Incentive Plan for Executive Committee (LTIP 5)

For the members of the Executive Committee, grants were given also on a similar criteria basis. Their grants vest on each anniversary of the grant date for 3 years. In each year 1/3 of the total grant will vest on the condition of (I) continuous employment of the participant during the vesting period and (II) the Group meeting the pre-determined performance criteria in the first year the grant is given. There were 40,238 shares granted on 1 April 2019, 7,738 shares forfeited and based on the performance of the Company, 95% (from the remaining 32,500 number of shares) will vest in the upcoming three years.

### d) Employee Share Deferral Plan 2019 (SDP)

As continuance of the Long term Incentive Plan, the SDP grants were implemented during the first half year of 2019. Grants were awarded to eligible employees on 1 April 2019.

Performance shares are awarded on an annual basis and vest on each anniversary of the grant date for 3 years. In each year 1/3 of the total grant will vest subject to the participant remaining in continued employment during the vesting period. Participants are not entitled to receive dividends during the vesting period.

### e) Performance Share Plan 2019 (PSP)

The Management Board was granted awards under a new plan on 29 November 2019, called Performance Share Plan, as described before in the same chapter.

### f) Viteos Rollover Share Plan (VRS)

At the time of the Viteos acquisition in 2019, management of Viteos received shares of the Company which are restricted to hold for three years after the acquisition, each year 1/3 of that released from restrictions every year. As the shares require continued employment of the participants, the shares are accounted as share based payments in line with IFRS2.

## Movements of awards

The Management Board awards outstanding and movements during the financial year were:

			2015		2016		2017		2018		Fair value per share at grant date
EOP – Matching shares	Award date	1 Jan 2015	Move– ment	31 Dec 2015	Move– ment	31 Dec 2016	Move– ment	31 Dec 2017	Move– ment <sup>1</sup>	31 Dec 2018	(EUR)
<b>David de Buck</b>											
EOP – Matching shares	19 Oct 2015	–	50,013	50,013	–	50,013	–	50,013	(50,013)	–	14.28
<b>Ernesto Traulsen</b>											
EOP – Matching shares	19 Oct 2015	–	12,503	12,503	–	12,503	(12,503) <sup>2</sup>	–	–	–	14.28
<b>Henk Pieter van Asselt</b>											
EOP – Matching shares	19 Oct 2015	–	–	–	–	–	25,006 <sup>2</sup>	25,006	(25,006)	–	14.28

<sup>1</sup> The movements in 2018 are caused by the vesting of the EOP shares.

<sup>2</sup> Movement is caused by resignation of Ernesto Traulsen per 16 January 2017.

<sup>3</sup> The movement is caused by Henk Pieter van Asselt joining the Management Board effective 9 November 2017.

		Outstanding				Outstanding	Fair value per	
		as at 1 Jan	Granted in	Movements	as at 31 Dec	share at grant		
Other LTI	Award date	2019	2019	in 2019 <sup>1</sup>	2019 <sup>2</sup>	date (EUR)	Vesting date <sup>3</sup>	
Stephanie Miller								
PSP shares	29 Nov 2019	-	35,108 <sup>4</sup>	-	35,108	11.96	29 Nov 2022	
PSP shares	29 Nov 2019	-	35,108	-	35,108	11.96	29 Nov 2022	
LTIP4 shares <sup>5</sup>	1 Apr 2018	28,534	-	-	28,534	14.86	1 Apr 2021	
Rogier van Wijk								
PSP shares	29 Nov 2019	-	4,388	-	4,388	11.96	29 Nov 2022	
SDP shares <sup>6</sup>	1 April 2019	-	-	2,381	2,381	15.26	1 Apr 2022	
LTIP4 shares <sup>5</sup>	1 April 2018	-	-	2,700	2,700	14.86	1 Apr 2021	
Henk Pieter van Asselt								
LTIP4 shares	1 Apr 2018	10,000	-	(10,000)	-	14.86	1 Apr 2021	
LTIP3 shares	1 Apr 2017	4,000	-	(4,000)	-	16.03	1 Apr 2020	
LTIP1 shares	1 Apr 2016	4,925	-	(4,925)	-	17.95	1 Apr 2019	

<sup>1</sup> Rogier van Wijk was appointed to the Management Board as at 28 November 2019. Other movements are caused by vesting.

<sup>2</sup> The Group is planning to transfer available treasury shares to cover the vesting of the grants in 2020.

<sup>3</sup> Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due.

<sup>4</sup> Stephanie Miller was awarded 35,108 shares for performance year 2018 and 35,108 shares for performance year 2019 on 29 November 2019.

<sup>5</sup> LTIP4 shares granted to Stephanie Miller do not need to meet performance conditions.

<sup>6</sup> Grants from 1 April 2019 and 1 April 2018 do not have performance criteria.

		Award	Granted	Movements	Granted	Movements	Granted	Movements	Outstanding	Fair value	
		date	in 2016	in 2016	in 2017	in 2017 <sup>1</sup>	in 2018	in 2018 <sup>2</sup>	as at 31 Dec 2018	per share at grant date (EUR)	Vesting date <sup>3</sup>
<b>Stephanie Miller</b>											
		1 Apr									1 Apr
LTIP shares <sup>2</sup>		2018	-	-	-	-	28,534	-	28,534	14.86	2021
<b>David de Buck<sup>5</sup></b>											
		1 Apr									1 Apr
LTIP shares		2017	-	-	4,000	-	-	(4,000)	-	16.03	2020
		1 Apr									1 Apr
LTIP shares		2016	4,925	-	-	-	-	(4,925)	-	17.95	2019
<b>Henk Pieter van Asselt</b>											
		1 Apr									1 Apr
LTIP shares		2018	-	-	-	-	10,000	-	10,000	14.86	2021
		1 Apr									1 Apr
LTIP shares		2017	-	-	-	4,000	-	-	4,000	16.03	2020
		1 Apr									1 Apr
LTIP shares		2016	4,925	-	-	-	-	-	4,925	17.95	2019
<b>Maarten de Vries</b>											
		1 Apr									n.a.
LTIP shares		2017	-	-	14,352	(14,352)	-	-	-	16.03	n.a.
<b>Ernesto Traulsen</b>											
		1 Apr									n.a.
LTIP shares <sup>4</sup>		2016	4,925	-	-	(4,925)	-	-	-	17.95	n.a.

<sup>1</sup> Movements are caused as follows: Ernesto Traulsen resigned per 16 January 2017, Maarten de Vries resigned per 31 December 2017, Henk Pieter van Asselt joined effective 9 November 2017 the Management Board.

<sup>2</sup> Movements are caused by the resignation of David de Buck as per 16 May 2018.

Following the vesting date the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due.

<sup>4</sup> Shares granted to Stephanie Miller do not need to meet performance conditions.

Vesting of LTIP shares for David de Buck will remain as per the original vesting dates of the respective grants.

<sup>5</sup> Vesting of LTIP shares for Ernesto Traulsen gained again their vesting rights as per original vesting date 1 April 2019.

As of 31 December 2019, the members of the Management Board have no loans outstanding with the Group and no guarantees or advance payments are granted to members of the Management Board.

Financial statements	Our strategy	Business performance	Governance Remuneration report	Other information
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## Supervisory Board

The individual members of the Supervisory Board received the following remuneration:

(EUR 000)	Member since / (until)	2019	2018	2017	2016	2015
Hélène Vletter-van Dort	21 August 2015	83	80	80	80	80
Toine van Laack	16 May 2017	68	65	40	-	-
Anthony Ruys	21 August 2015	63	60	60	60	46
Charlotte Lambkin	17 October 2017	60	60	12	-	-
Paul Willing	17 October 2017	58	50	10	-	-
Stewart Bennett	16 May 2019	39	-	-	-	-
Bert Groenewegen	21 August 2015 / (16 May 2017)	-	-	24	65	25
<b>Total</b>		<b>371</b>	<b>315</b>	<b>226</b>	<b>205</b>	<b>151</b>

<sup>1</sup> In addition, EUR 35 thousand remuneration from affiliated entities as the Chair of the Supervisory Board.

<sup>2</sup> In addition, EUR 25 thousand remuneration from affiliated entities as member of the Supervisory Board.

The Company does not grant variable remuneration, shares or options to the member of the Supervisory Board. They had no loans outstanding any of the year ends for the above respective years. No guarantees or advance payments are granted to members of the Supervisory Board.

# Corporate Governance

The corporate governance framework of the Company is based on our strategy and in line with the requirements of the Dutch Civil Code and the Dutch Corporate Governance Code (the Code). Intertrust attaches great value to the principles embedded in the Code and its vital role in safeguarding the interests of its stakeholders. Intertrust has a two-tier board structure with a Management Board and a Supervisory Board.

## General

Intertrust N.V. (Intertrust) is a public company with limited liability (*naamloze vennootschap*) incorporated on 8 September 2014 under the laws of the Netherlands. On 15 October 2015, part of the share capital of Intertrust was offered to the public and its shares were listed on Euronext Amsterdam in an Initial Public Offering (IPO). Since 18 March 2016 Intertrust's shares have been included in the AMX index.

Intertrust's management and supervision are embedded in two corporate bodies by maintaining a two-tier board structure thus enhancing effective corporate governance and independent supervision. During 2019, the Management Board was reduced to two members and the composition of the Supervisory Board remained at six members. In addition, Intertrust has an Executive Committee which has day-to-day management responsibility for Intertrust comprising the members of the Management Board and leaders with functional or regional responsibility.

Each member of the Management Board, Supervisory Board and Executive Committee has a duty to Intertrust to properly perform the duties assigned to them and to act in the interest of Intertrust, extending to the interests of all its stakeholders.

## Management Board

### Duties

The Management Board is entrusted with the management, the strategy, policies, objectives and results of Intertrust, under the supervision of the Supervisory Board. The Management Board focuses on long-term value creation for Intertrust and its affiliated enterprises, and takes into account the interests of all stakeholders (please refer to the Strategy chapter on page 17 of this Annual Report). The Rules for the Management Board (Management Board Rules) describe the duties, tasks, composition, procedures and decision-making of the Management Board, its relationship with the Supervisory Board and with the Executive Committee as well as the individual tasks and responsibilities of each member of the Management Board.

*Certain resolutions of the Management Board require the approval of the Supervisory Board. These resolutions are outlined in the Articles of Association and in the Management Board Rules, both of which are available on Intertrust's website: <https://www.intertrustgroup.com/investors>.*



**Stephanie Miller**  
Chief Executive Officer

Stephanie started as Chief Executive Officer (CEO) on 22 January 2018 and became member of the Management Board on 7 February 2018. She has over 30 years international leadership experience in the financial services sector, including executive roles in fund and corporate services businesses at listed companies. Most recently, she was senior vice president and managing director, alternative assets, at SS&C Technologies, a global provider of investment and financial software-enabled services. Stephanie has previously held managing director positions at J.P. Morgan's fund administration business and Citco Fund Services. Stephanie holds a BA in Accounting and Management Information Systems from Queens College, City University of New York, USA.



**Rogier van Wijk**  
Chief Financial Officer

Rogier has been Chief Financial Officer (CFO) since 12 September 2019 as successor to Hans Turkesteen and was appointed to the Management Board on 28 November 2019. Rogier joined Intertrust in 2017 as Group Controller and has over 20 years of international experience in finance including several executive roles at Philips and TPV Technology. Rogier holds a degree in International Business from Maastricht University, the Netherlands, with a specialisation in Finance and Accounting and an Executive Master Finance and Control from Maastricht University and University of Amsterdam joint programme.



## Appointment, removal and suspension

The General Meeting appoints a member of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination drawn up by the Supervisory Board. A resolution of the General Meeting to appoint a member of the Management Board pursuant to and in accordance with a proposal of the Supervisory Board, can be adopted by an absolute majority of the votes cast irrespective of the capital present or represented at the relevant shareholders' meeting. The General Meeting can overrule a binding nomination of the Supervisory Board by a majority vote of at least two-thirds of the votes cast, provided such a majority represents at least one-third of the issued share capital.

If the General Meeting, with an absolute majority of the votes cast, overrules the binding nomination, but this majority does not represent at least one-third of the issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

The Articles of Association provide that the General Meeting has the authority to suspend and dismiss a member of the Management Board. A resolution of the General Meeting to suspend or dismiss a member of the Management Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution requires a majority of at least two-thirds of the votes cast, which majority must represent at least one-third of the issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board. If the shareholders support the suspension or dismissal with an absolute majority of the votes cast, but such majority does not represent at least one-third of the issued capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at the meeting.

## Composition

Intertrust's Articles of Association stipulate that the Management Board must consist of two or more members, the number of which is to be determined by the Supervisory Board. Intertrust aims to have a balanced and diverse composition of its Management Board which is reviewed in more detail in this chapter under 'Diversity'. The Diversity Policy is available on Intertrust's website: <https://www.intertrustgroup.com/Investors>.

With the departure of the CCO, Henk Pieter van Asselt, the Supervisory Board took the decision to reduce the number of statutory Management Board members to two, being the CEO and the CFO. The Executive Committee would then in addition to the CEO and the CFO include all leaders with functional or regional responsibility.

## Remuneration

Information on the remuneration of the members of the Management Board can be found in the Remuneration chapter on page 45 of this Annual Report.

## Composition Management Board

Name	Date of birth	Gender	Nationality	Position	Member since	Term until
Stephanie Miller	28 May 1968	Female	American	Chief Executive Officer	7 February 2018	4 years – 2022
Rogier van Wijk	27 December 1975	Male	Dutch	Chief Financial Officer	28 November 2019	4 years – 2024
Hans Turkesteen	3 November 1963	Male	Dutch	Chief Financial Officer	17 October 2018	Resigned per 12 September 2019
Henk Pieter van Asselt	24 May 1970	Male	Dutch	Chief Commercial Officer	9 November 2017	Resigned per 12 April 2019

## Supervisory Board

### Duties

The Supervisory Board is responsible for the supervision of the policy of the Management Board and the general course of affairs of Intertrust and the business affiliated with it. In performing its duties, the Supervisory Board is guided by the interests of Intertrust and the business affiliated with it, taking into consideration the relevant interests of all Intertrust's stakeholders. The Rules for the Supervisory Board (Supervisory Board Rules) describe the duties, tasks, composition, procedures, and decision-making of the Supervisory Board as well as its relations with the Management Board, the General Meeting and the Executive Committee. The Supervisory Board Rules are available on Intertrust's website: <https://www.intertrustgroup.com/investors>.

### Appointment, removal and suspension

The General Meeting appoints a member of the Supervisory Board pursuant to and in accordance with a proposal of the Supervisory Board or upon a binding nomination drawn up by the Supervisory Board.

A resolution of the General Meeting to appoint a member of the Supervisory Board, in accordance with a proposal of the Supervisory Board, can be adopted by an absolute majority of the votes cast, irrespective of the capital present or represented at the relevant shareholders' meeting.

The General Meeting can overrule a binding nomination by the Supervisory Board by a majority vote of at least two-thirds of the votes cast, provided such majority represents at least one-third of the issued share capital. If the General Meeting, with an absolute majority of the votes cast overrules the binding nomination, but this majority does not represent at least one-third of the issued share capital, then a new meeting may be convened in which the nomination can be overruled by an absolute majority of the votes cast irrespective of the capital present or represented at the meeting.

Each member of the Supervisory Board shall be appointed for a maximum period of four years. A member's term of office shall lapse in accordance with the rotation schedule drawn up by the Supervisory Board. The rotation schedule is available on Intertrust's website: <https://www.intertrustgroup.com/investors>. A member of the Supervisory Board may be re-appointed once for another four-year period and thereafter be re-appointed again for a period of two years. In the event of a re-appointment after an eight-year period, the report of the Supervisory Board shall state the reasons for that.

The General Meeting has the authority to suspend and dismiss a member of the Supervisory Board. A resolution of the General Meeting to suspend or dismiss a member of the Supervisory Board requires an absolute majority of the votes cast if the suspension or dismissal is proposed by the Supervisory Board. However, such resolution of the General Meeting requires a majority of at least two-thirds of the votes cast, which majority must represent at least one-third of the issued share capital if the suspension or dismissal has not been proposed by the Supervisory Board.

### Composition

The Supervisory Board must consist of a minimum of three members and a maximum of seven members, the number of which is to be determined by the Supervisory Board. The profile of the Supervisory Board is available on Intertrust's website: <https://www.intertrustgroup.com/investors>. Intertrust aims to have a balanced and diverse composition of its Supervisory Board, which is reviewed in more detail in this chapter under 'Diversity'. The diversity policy is available on Intertrust's website: [www.intertrustgroup.com/investors](https://www.intertrustgroup.com/investors).

In 2019, the Supervisory Board consisted of six members. One of its members, Lionel Assant, was appointed upon nomination of Blackstone in accordance with the Relationship Agreement. This Supervisory Board member was therefore deemed not to be independent within the meaning of best practice provision

### Composition Supervisory Board

Name	Date of birth	Gender	Nationality	Position	Member since	Maximum term - rotation schedule
Hélène Vletter-van Dort	15 October 1964	Female	Dutch	Chairperson	21 August 2015	4 years - 2023
Lionel Assant	22 May 1972	Male	French	Member	21 August 2015	Resigned per 16 May 2019
Toine van Laack	4 April 1963	Male	Dutch	Member	16 May 2017	4 years - 2021
Anthony Ruys	20 July 1947	Male	Dutch	Member	21 August 2015	4 years - 2023
Charlotte Lambkin	1 February 1972	Female	British	Member	17 October 2017	4 years - 2021
Paul Wiling	17 December 1965	Male	British	Member	17 October 2017	4 years - 2021
Stewart Bennett	30 March 1971	Male	British	Vice-Chairperson	16 May 2019	4 years - 2023

2.1.8 section vii of the Code, Lionel Assant resigned from the Supervisory Board on 16 May 2019 and was succeeded by Stewart Bennett.

As the former CEO of Elian, the business Intertrust acquired in 2016, Paul Willing is not considered independent within the meaning of best practice provision 2.1.8 section i of the Code.

To date, the total number of Supervisory Board members is six of which one member is considered non-independent. One of the independent members has been appointed as Chairperson.

On 12 February 2019, Blackstone placed 6.1 million of its Intertrust shares with institutional investors via an accelerated book build, thereby increasing Intertrust's free float and decreasing Blackstone's shareholding from 6.87% to almost zero; Blackstone maintained a number of shares for distribution to certain charities. Pursuant to the Relationship Agreement, Blackstone's right to nominate and propose a replacement for its Supervisory Board member would lapse if the percentage of shares held by Blackstone falls below 10%. The reduction of Blackstone's shareholding below the threshold percentage of 10% implied that Intertrust was entitled to request the Blackstone-nominated Supervisory Board member to resign which resulted in Lionel Assant's resignation on 16 May 2019.

As at 31 December 2019, the Supervisory Board consisted of the following persons:

**Hélène Vletter-van Dort** is a professor of (European) Financial Law & Governance at the Erasmus School of Law of the University of Rotterdam. She is the author of numerous books and articles on Financial Law and Corporate Governance. Her PhD research focused on the equal treatment of shareholders of listed companies when distributing price sensitive information. Hélène started her career in 1988 as an M&A lawyer at Clifford Chance in Amsterdam. Between 2004 and 2008 she served as a judge at the Enterprise Chamber of the Court of Appeal of Amsterdam. Hélène has held non-executive board positions with a variety of financial institutions, including Fortis Bank Netherlands and the Dutch Central Bank. From 2009 to 2018 she has been a member of the Dutch Monitoring Committee on Corporate Governance, appointed by the Dutch government. In October 2015, she was appointed to the Supervisory Board of NN Group, where she also serves as chair of the Remuneration Committee, and member of the Nomination and Corporate Governance Committee and of the Risk Committee. In 2018 she was appointed as Chair of the protective foundation of Koninklijke Brill. Until October 2019, she was non-executive director in the Board of Barclays International and chair of the Remuneration Committee.

**Toine van Laack** is a Registered Accountant with extensive international experience in the finance and accounting sector. He spent 25 years at EY where he held several senior positions, including Senior Audit Partner, Managing Partner for Transaction Advisory Services and Managing Partner Markets. More recently, he was Managing Director of Janivo Holding B.V., an investment company and family office based in Zeist, the Netherlands. He has also held supervisory positions on various boards including TomTom N.V., LBi N.V. and Nidera Capital B.V. Earlier in his career at EY, Toine spent several years working in Asia, including Singapore and Indonesia. Toine also serves as non-executive director at Vroon Shipping B.V., an international shipping company with headquarters in the Netherlands, as non-executive chairman of Favorita Holdings Ltd, an investment holding company in Malta, as non-executive director at EMS, a payment solutions company and as non-executive director at Big Dutchman AG since December 2019. He holds a Registered Accounting degree from NBA and also completed the Harvard Advanced Management Programme.

**Anthony Ruys** is the former Chairman of the Executive Board of Heineken N.V. He holds a degree in commercial law from the University of Utrecht and a Master's degree from Harvard Business School. He was appointed an Officer of the Order of Orange-Nassau by the Dutch government in 2005. Thony commenced his career at Unilever in 1974. During his tenure at Unilever, he served in various senior positions, including that of Marketing Director and Chairman of various subsidiary companies in the Netherlands, Colombia and Italy. In 1993, he joined Heineken as a member of its Executive Board, became Vice Chairman in 1996 and Chairman in 2002-remaining in that position until 2005. Thony served as a Non-Executive Chairman of the Board of the Schiphol Group until April 2015, and he also served as a non-executive board member of ABN AMRO N.V., BAT plc (UK), ITC plc (India), Lottomatica Spa (Italy) and Janivo Holding B.V. Thony is currently Chairman at the museum Beelden aan Zee foundation. In January 2017, Thony was appointed as member of the Board of Directors of HunterDouglas Group.

**Charlotte Lambkin** is an experienced member of FTSE 100 executive committees and a seasoned corporate affairs and communications professional. She is a member of Edelman's UK Advisory Board and a consultant to their corporate affairs practice and she is a Trustee to the UK's largest volunteering charity, Royal Voluntary Services. Most recently, she served as Executive Committee member and Corporate Relations Director at Diageo, the UK headquartered FTSE-10 listed global alcoholic beverages company. Prior to that, she spent 10 years at BAE Systems, a UK-headquartered FTSE-30 listed defence, aerospace and security solutions company, as Executive Committee member and Group Communications Director.

Charlotte started her career in a communications consultancy, advising boards of large multi-nationals. She is a graduate in History from Bristol University.

**Paul Willing** is the former CEO of Elian, having held that position from 2009 until the acquisition of Elian by Intertrust in 2016. After joining Intertrust as a result of that acquisition, he became Managing Director Atlantic Region for the combined organisation, until he stepped down from his executive responsibilities in July 2017. He has over 25 years of financial services experience, with an extensive career at PwC in both Jersey and Geneva. He is a graduate of the University of London and qualified as a chartered accountant in 1991. Paul is resident in Jersey and holds several non-executive Director positions.

**Stewart Bennett** is Global Head of Alternatives at BMO Global Asset Management. Before that he was a partner and Head of the Financial Institutions Group at Ondra Partners, an independent corporate finance advisory firm, authorised and regulated by the Financial Conduct Authority. He gained broad experience in advising executive teams and boards of leading UK and international financial institutions in respect of, amongst others, financial strategy, M&A and debt and equity capital raising. Prior to joining Ondra Partners, Stewart was Managing Director and Head of Financial Institutions Group, Strategic Advisory at Dresdner Kleinwort and an Investment Director at Botts & Company. Since 2013, Stewart has been a Trustee of the Willow Foundation, a charity focused on seriously ill young adults, where he serves on the main Board and on the Finance and Audit Committee. Stewart holds a degree in German and Management Studies from the University of Leeds.

## Remuneration

Information on the remuneration of the members of the Supervisory Board can be found in the Remuneration chapter on page 45 of this Annual Report.

## Committees of the Supervisory Board

### General

The Supervisory Board has established two committees from among its members: the Audit and Risk Committee and the Remuneration, Selection and Appointment Committee. The function of these committees is to prepare the discussion and decision-making undertaken by the Supervisory Board. The organisation, duties and working methods of the committees of the Supervisory Board are detailed in a separate charter for each committee, which are available on Intertrust's website: <https://www.intertrustgroup.com/investors>

## Audit and Risk Committee

The Audit and Risk Committee assists the Supervisory Board in fulfilling its oversight responsibilities with regard to, amongst others, the integrity and quality of Intertrust's financial statements, the financial reporting process, the effectiveness of Intertrust's internal risk management and control systems, the internal and external audit process, as well as Intertrust's process for monitoring compliance with applicable laws and regulations, the Corporate Governance Code and Intertrust's Code of Conduct.

The Audit and Risk Committee consists of three members. As at 31 December 2019, these were: Toine van Laack (Chairperson), Stewart Bennett and Paul Willing.

Further details on the Audit and Risk Committee are given in the Report from the Supervisory Board on page 40 of this Annual Report.

## Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee advises the Supervisory Board on the remuneration of the individual members of the Management Board and monitors the Remuneration Policy. Its responsibilities include, amongst others, setting Remuneration Policy and compensation standards, preparing proposals concerning the individual remuneration of the members of the Management Board, monitoring incentive and equity-based compensation plans. Furthermore, the Remuneration, Selection and Appointment Committee is responsible for the selection and appointment procedure of members of the Management Board and of the Supervisory Board. It meets at least two times a year.

The Remuneration, Selection and Appointment Committee consists of three members. As at 31 December 2019, these were: Charlotte Lambkin (Chairperson), Anthony Ruys and Hélène Vletter-van Dort. Charlotte Lambkin has succeeded Anthony Ruys as Chairperson, effective 12 December 2019. Further details on the Remuneration, Selection and Appointment Committee are given in the Report from the Supervisory Board on page 40 of this Annual Report.

## Diversity

Diversity is taken seriously in connection with the appointment, or nomination for the appointment, of members of the Management Board and drafting the criteria for the size and composition of the Supervisory Board, as well as the designation, appointment, recommendation and nomination for appointment of members of the Supervisory Board. Intertrust strives for a diverse and balanced composition of both the

Management Board and the Supervisory Board in terms of gender, nationality, age, education, experience and expertise.

Pursuant to Article 2:166 of the Dutch Civil Code, large public companies must strive for a balanced distribution of seats on their boards between men and women. Such balanced distribution entails that at least 30% of the seats on the Management Board and the Supervisory Board are held by women and at least 30% by men. With the appointment of Stephanie Miller as CEO and member of the Management Board in 2018, Intertrust has successfully established a distribution of seats in accordance with the above. For the Supervisory Board the gender balance requirement was met as well during 2019.

## Executive Committee

### Roles and duties

To create a well-balanced division of functional and regional responsibilities, Intertrust has opted for the installation of an Executive Committee. The Executive Committee is entrusted with the day-to-day management of Intertrust in particular with respect to setting, implementing and achieving Intertrust's strategic, operational and financial objectives. The Executive Committee is furthermore actively involved in all important topics related to, amongst others, integration, innovation, culture, leadership and ESG. In the performance of its responsibilities, the Executive Committee must carefully consider and act in accordance with the interests of Intertrust and the business connected with it, taking into consideration the interests of all Intertrust's stakeholders.

The Rules for the Executive Committee (Executive Committee Rules) include, amongst others, the role, duty and composition of the Executive Committee as well as how the contacts between the Supervisory Board and the Executive Committee have been given shape. Members of the Executive Committee will attend meetings of the Supervisory Board if so requested by the Supervisory Board and shall provide the Supervisory Board with such information to properly perform its duties, through

the Management Board. The Executive Committee Rules are available on Intertrust's website: <https://www.intertrustgroup.com/investors>.

### Composition, appointment and removal

Members of the Executive Committee, not being members of the Management Board, are appointed, suspended and dismissed by the CEO, after consultation with the Supervisory Board. The Executive Committee consists of (i) the members of the Management Board, (ii) the Chief Human Resource Officer (CHRO), (iii) the Chief Operating Officer (COO), (iv) the Chief Commercial Officer (CCO), (v) the Chief Risk Officer (CRO), (vi) the Chief Solutions Officer, (vii) the Global Head of Transformation and Operations, (viii) the Managing Directors of Intertrust Americas, Intertrust Western Europe, and Intertrust Rest of the World, and (ix) such other members as appointed by the CEO from time to time.

A number of changes in the membership of the Executive Committee took place during the year:

Hans Turkesteen, Henk Pieter van Asselt, Sara Jonker-Douwes, Simon Mackenzie, James Nolan and Frank Welman stepped down from the Executive Committee.

Ian Lynch joined the Executive Committee as CCO as a successor to Henk Pieter van Asselt, effective 1 July 2019. Shankar Iyer and Chitra Baskar joined the Executive Committee as respectively Chief Solutions Officer and Global Head of Transformation and Operations, effective 17 June 2019. Petra van Hoeken joined the Executive Committee as CRO, effective 15 August 2019. Rogier van Wijk joined the Executive Committee as the successor to Hans Turkesteen, effective 12 September 2019. Lee Godfrey joined the Executive Committee as Managing Director Western Europe as successor to Frank Welman, effective 1 October 2019.

As at 31 December 2019, the Executive Committee consisted of the following members:

Business	Strategy	Financial Performance	Governance	Shareholder Engagement
			Corporate Governance	

## Composition Executive Committee

Name	Date of birth	Gender	Nationality	Position
Stephanie Miller	28 May 1968	Female	American	Chief Executive Officer
Rogier van Wijk	27 December 1975	Male	Dutch	Chief Financial Officer
Ian Lynch	16 April 1973	Male	Irish	Chief Commercial Officer
Lee Godfrey	25 October 1969	Male	British	MD Western Europe
James Ferguson	13 June 1966	Male	American	MD Americas
Daniel Jaffe	19 August 1975	Male	British	MD Rest of the World
Roberto Canenti	12 July 1971	Male	British	Chief Human Resource Officer
Theo Splinter	1 June 1971	Male	Dutch	Chief Operating Officer
Petra van Hoeken	28 April 1961	Female	Dutch	Chief Risk Officer
Shankar Iyer	26 November 1964	Male	Indian	Chief Solutions Officer
Chitra Baskar	20 April 1966	Female	Indian	Global Head of Transformation and Operations



#### James Ferguson

James joined Intertrust in March 2018 as Managing Director of Americas and member of the Executive Committee. Based in New York, James is responsible for the six offices in the US, South America and Canada, as well as the offices in the Bahamas, Brazil, the British Virgin Islands, Canada, Curaçao, and the key office in the Cayman Islands. James has over 23 years of experience in corporate and fund services, including several senior executive leadership roles. James most recently worked for US Bank, where he was Global Head of Strategy and Product Development of US Bank's Wealth Management & Investment Services division. Prior to US Bank, James spent 17 years at JP Morgan as Global Head of Alternative Investment Services. James holds a Bachelor of Arts in Political Science and Legal Studies, and a Bachelor of Law degree.

#### Daniel Jaffe

Daniel is Managing Director Rest of the World and joined Intertrust's Executive Committee as of 1 January 2018. Previously, Daniel worked in London as Relationship Banker for a major European Bank, ultimately also spending time in the US as Vice-President for their West Coast operations specialising in infrastructure, retail and service clients. In 2009 he joined Intertrust UK as Commercial Director and became Managing Director in 2012, after which he moved to Singapore in 2015 to become Managing Director. In 2017 he returned to the UK to take on his current role. Daniel's knowledge and experience during his career entails working with corporates, private equity, venture capital, pension funds and private clients. During his time in both San Francisco and London, Daniel has specialised in European & transatlantic M&A as well as structuring and corporate planning. Daniel holds a Bachelor of Arts (Honours) in French and Business studies from The Manchester Metropolitan University and is also a Member of Chartered Institute of Bankers in Scotland.

#### Lee Godfrey

Lee joined Intertrust and the Executive Committee in 2019 as Managing Director Western Europe with overall responsibility for the offices in Belgium, Germany, Netherlands, Switzerland and Luxembourg. For over 20 years he has held strategic positions including CIO with a Luxembourg-based leader in data management and reporting solutions for the investment management and financial industry. Prior to that, he worked in a publicly listed online investor relations services provider as Group COO and Board Member.

#### Shankar Iyer

Shankar joined Intertrust in June 2019 following the acquisition of Viteos where he was CEO and co-founder of Viteos. Shankar has over 25 years of international experience in business acquisition and development and takes on the new role of Chief Solutions Officer based in New York. Prior to founding Viteos, Shankar was the President and CEO of Silverline Technologies, an IT services company which he led to its listing on the NYSE. Shankar has a degree in Science and Solid State Electronics and a Master's in Business from the University of Mumbai, India.

#### Chitra Baskar

Chitra joined Intertrust in June 2019 following the acquisition of Viteos where she was co-founder and Chief Operations Officer. Chitra has more than 25 years of experience in the securities market and takes on at Intertrust the role of Global Head of Transformation and Operations, based in New York. Prior to Viteos, Chitra headed the securities services business of II&FS, a leading financial services institution in India encompassing custody, clearing, settlement and fund administration. Chitra is a chartered accountant (member of the Institute of Chartered Accountants, India) and has a degree in accounting from the University of Chennai, India.



## Theo Splinter

Theo joined Intertrust in June 2018 as Chief Operating Officer (COO) and member of the Executive Committee. In this role he has global responsibility for operations, IT, change management and facilities within the Group. Theo has more than 20 years of experience and joined Intertrust from BNP Paribas, where he was COO of Alternatives and COO of Security Services in Luxembourg and its European centres of excellence. Prior to joining BNP Paribas in 2015, Theo spent five years at Credit Suisse as Managing Director Credit Suisse Prime Services and COO of Hedge Fund Services. Theo started his career at Citico Fund Services, where he held several executive roles.

## Petra van Hoeken

Petra joined Intertrust in August 2019 as Chief Risk Officer responsible for Intertrust's Governance, Risk Management and Compliance. Petra is a seasoned senior executive with a wealth of experience in the financial services industry. Prior to Intertrust, Petra spent three years with Rabobank as Chief Risk Officer and member of the Managing Board. Before this she was Chief Risk Officer and member of the Managing Board at Dutch investment bank NIBC for five years and Chief Risk Officer EMEA at the Royal Bank of Scotland for three years. She started her career with ABN AMRO bank where, over a period of 24 years, she held diverse responsibilities in risk, commercial management and general management. Petra has a Master's in Civil Law from the University of Leiden, the Netherlands. Additionally, Petra is a non-executive Board member at Nordea Bank Abp (Helsinki), The Nederlandsche Waterschapsbank and the Oranjefonds.

## Ian Lynch

Ian joined Intertrust in 2019 as Chief Commercial Officer. Prior to that he was Global Head of Alternative Investors and member of the executive team at BNP Paribas Security Services. Before joining BNP in June 2015, he had successfully integrated the Credit Suisse Prime Fund Services business into BNP and created a scalable Alternatives franchise, delivering a multi-asset platform to support clients' changing needs. Prior to that, Ian was Global Head of Prime Fund Services at Credit Suisse for eight years, where he also simultaneously managed US Irish business. Ian has held several other executive positions with Citico and Citigroup.

## Roberto Canenti

Roberto joined Intertrust in June 2018 as Chief Human Resource Officer (CHRO) and Executive Committee member, based in Amsterdam. Roberto has more than 20 years' HR-specific experience and most recently worked for VirLid Financial (previously KCG) where he was Head of HR Europe and Asia as of early 2015. Prior to this, he was with Barclays for over ten years where he held various global executive HR roles. Roberto, a British national, graduated with a BA in Politics from the University of Exeter.



## General Meeting

### Frequency, notice and agenda

The Annual General Meeting must be held within six months after the end of each financial year. An Extraordinary General Meeting may be convened by the Supervisory Board or the Management Board, whenever Intertrust's interests so require. Shareholders individually or in aggregate representing at least one-tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the shareholders making such request, they may be authorised upon request by a District Court in summary proceedings to convene a General Meeting.

Notice of a General Meeting must be given at least 42 days prior to the day of the meeting as required by Dutch law. The notice convening any General Meeting must include, among other items, an agenda indicating the place and date of the meeting, the items for discussion and voting, the proceedings for registration including the registration date, as well as any proposals for the agenda. Shareholders holding at least 3% of the issued and outstanding share capital may request that an item be added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by Intertrust at least 60 days before the day of the General Meeting.

### Admission to General Meetings

The General Meeting is chaired by the Chairperson of the Supervisory Board. Members of the Management Board and of the Supervisory Board shall have the right to attend the General Meeting in such capacity. In these General Meetings, they have an advisory vote. The Chairperson of the General Meeting may decide at his or her discretion to admit other persons to the General Meeting.

Each shareholder, as well as other persons with voting rights or meeting rights, may attend the General Meeting, address the General Meeting and, in so far as they have such right, to exercise voting rights *pro rata* to its shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of shares on the registration date, which is currently the 28<sup>th</sup> day before the day of the meeting, and they or their proxy have notified Intertrust of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

### Voting and resolutions

Each shareholder may cast one vote for each share held. Pursuant to Dutch law, no votes may be cast at a General

Meeting in respect of shares which are held by Intertrust. Resolutions of the General Meeting are taken by an absolute majority, except where Dutch law or the Articles of Association provide for a qualified majority.

### Powers of the General Meeting

The most important powers of the General Meeting are to:

- Authorise the Management Board to issue shares, to restrict or exclude the pre-emptive rights of shareholders and to repurchase shares
- Appoint members of the Management Board upon a proposal of the Supervisory Board or upon a nomination of the Supervisory Board
- Suspend or dismiss members of the Management Board
- Appoint members of the Supervisory Board upon a proposal of the Supervisory Board or upon a nomination of the Supervisory Board
- Suspend or dismiss members of the Supervisory Board
- Adopt the annual accounts of Intertrust
- Adopt the remuneration policy for the members of the Management Board
- Resolve on the reservation or distribution of the profits upon a proposal of the Management Board that has been approved by the Supervisory Board
- Amend the Articles of Association of Intertrust upon a proposal of the Management Board that has been approved by the Supervisory Board

### General Meetings held in 2019

In 2019, a total of two General Meetings were held as follows:

1. On 16 May 2019, Intertrust held its Annual General Meeting at which the following resolutions, among others, were adopted:

- Amendment of the compensation of the members of the Supervisory Board
- Adoption of Intertrust's Annual Accounts 2018
- Discharge of the members of the Management Board for their functioning throughout financial year 2018
- Discharge of the members of the Supervisory Board for their functioning throughout financial year 2018
- Appointment of KPMG as the External Auditor for the financial statements for 2019
- Re-appointment of Hélène Vletter-van Dort and Anthony Ruys as members of the Supervisory Board of Intertrust
- Appointment of Stewart Bennett as member of the Supervisory Board of Intertrust

2. On 28 November 2019, Intertrust held an Extraordinary General Meeting at which meeting the following resolutions were adopted:

- Amendment of the Remuneration Policy
- Approval of a new Performance Share Plan for members of the Management Board
- Appointment of Rogier van Wijk as member of the Management Board

## Share Capital

### Issuance of shares

The authorised share capital of Intertrust consists of ordinary shares only. The General Meeting may resolve to issue shares in the share capital of Intertrust, or grant rights to subscribe for shares, upon a proposal by the Management Board that has been approved by the Supervisory Board.

The Articles of Association provide that the General Meeting may delegate the authority to issue shares, or grant rights to subscribe for such shares, to the Management Board, pursuant to and in accordance with a proposal thereto of the Management Board, which has been approved by the Supervisory Board. At the designation, the number of shares which may be issued by the Management Board must be determined. No resolution of the General Meeting or the Management Board is required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares.

On 16 May 2019, the Annual General Meeting extended the authority of the Management Board to resolve to issue shares and grant rights to subscribe for shares, subject to the approval of the Supervisory Board and for a period of 18 months, until 16 November 2020. The authority of the Management Board is limited to a maximum of 10% of the issued share capital, at the time of issue, or at the time of granting of the right to subscribe for shares.

As per 31 December 2019, the issued share capital amounted to EUR 54,189,811.2, divided into 90,316,352 shares with a nominal value of EUR 0.60 each of which 260,846 shares were held by Intertrust on its custody account.

### Pre-emptive rights

Each shareholder has a pre-emptive right to subscribe on a *pro rata* basis for any issue of new shares or upon a grant of rights to subscribe for shares. Exceptions to these pre-emptive rights include the issue of shares and the grant of rights to subscribe for shares (i) to Intertrust's employees; (ii) in return for non-

cash consideration; or (iii) to persons exercising a previously granted right to subscribe for shares.

On 16 May 2019, the Annual General Meeting extended the authority of the Management Board as the competent corporate body to limit or exclude the pre-emptive rights in respect of the issue of shares or the granting of rights to subscribe for shares pursuant to the authorisation given above.

### Acquisition of own shares

Intertrust may acquire fully paid-up shares in its own capital for consideration, subject to the authorisation by the General Meeting and subject to Dutch law, and after prior approval of the Supervisory Board. The authorisation is not required for shares quoted in the listing of any stock exchange in order to transfer them to employees of Intertrust or of a Group company pursuant to a scheme applicable to such employees. Intertrust is not entitled to any distributions from shares in its own capital. No vote may be cast at the General Meeting for shares held by Intertrust or by a subsidiary.

At the Annual General Meeting of Intertrust on 16 May 2019, the authority granted to the Management Board to repurchase shares in the share capital of Intertrust up to a maximum of 10% of the issued share capital was extended for a period of 18 months, until 16 November 2020.

### Transfer of shares and transfer restrictions

The transfer of shares in the share capital of Intertrust included in the Statutory Giro System must take place in accordance with the provisions of the Dutch Securities Giro Act (*Wet giraal effectenverkeer*). The Articles of Association of Intertrust do not restrict the transfer of shares in the share capital of Intertrust.

Intertrust is not aware of the existence of any agreement pursuant to which the transfer of shares in the share capital of Intertrust is restricted. The shares awarded to the members of the Management Board under Intertrust's Long-Term Incentive Plan (LTIP) and Performance Share Plan (PSP) shall be held for at least five years after they are awarded as prescribed by the Corporate Governance Code.

### Articles of Association

The General Meeting can only resolve to amend the Articles of Association on proposal of the Management Board, which proposal has been approved by the Supervisory Board.

### External auditor

The External Auditor is appointed by the General Meeting. At the Annual General Meeting held on 16 May 2019, the General Meeting appointed KPMG Accountants N.V. as the external auditor for the financial year 2019. The External Auditor may be

questioned at the Annual General Meeting in relation to its audit opinion on the financial statements. The External Auditor will therefore attend and be entitled to address this meeting.

## Financial reporting

A description of the most important characteristics of the management- and control systems of Intertrust with respect to the financial reporting process of Intertrust and its Group companies of which the financials are consolidated can be found in the Compliance and Risk Management chapter.

## Dutch Corporate Governance Code

Intertrust is subject to the Corporate Governance Code. The Corporate Governance Code is based on a 'comply or explain' principle. Accordingly, companies are required to disclose in their Annual Report whether or not they comply with the various principles and best practice provisions that are addressed to the Management Board and the Supervisory Board and provide a substantive and transparent explanation for any departures from the principles and best practice provisions.

Considering Intertrust's interests and the interest of its stakeholders, Intertrust deviates from a limited number of principles and best practice provisions, which are described as follows:

### Best practice provision 2.3.2 (establishment of committees)

Intertrust does not comply with best practice provision 2.3.2, which provides that if the supervisory board consists of more than four members, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. For efficiency purposes, the Supervisory Board has combined the functions and responsibilities of the remuneration committee and the selection and appointment committee in one committee, the Remuneration, Selection and Appointment Committee.

### Best practice provision 4.3.3 (cancelling the binding nature of a nomination or dismissal)

Intertrust does not comply with best practice provision 4.3.3, which provides that the general meeting of shareholders of a company may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one-third. Pursuant to the Articles of Association, the General Meeting may only overrule the binding nature of such nominations by resolution of the General Meeting adopted with a two-thirds majority of the votes cast, representing at least

one-third of the issued share capital. If the shareholders support overruling the binding nature of the nomination with an absolute majority of the votes cast, but such majority does not represent at least one-third of the issued capital, a new meeting may be convened at which the resolution may be passed with an absolute majority of the votes cast, irrespective of the part of the capital represented at such meeting. A similar provision is included in the Articles of Association regarding the removal of members of the management board and supervisory board. These provisions are stricter than best practice provision 4.3.3. Intertrust believes this to be justified in the interest of the continuity of Intertrust and its group companies.

## Corporate governance statement

This chapter, including parts of this Annual Report incorporated by reference, also serves as the corporate governance statement referred to in section 2a of the Management Report Decree (*Vaststellingsbesluit nadere voorschriften bestuursverlag*).

## Legal transparency obligations

This section includes an overview which sets out where the information that is required to be disclosed under Article 1 of the Decree on Article 10 of the Takeover Directive can be found.

## Capital Structure

Information on the capital structure of Intertrust, the shares and the rights attached thereto is provided in the Shares chapter of this Annual Report and in this Corporate Governance chapter.

## Limitations on transferability of shares

There are no limitations on the transferability of Intertrust's shares. See also the paragraph 'Transfer of shares and transfer restrictions' in this chapter.

## Major shareholders

Shareholders are obliged to give notice of interests exceeding certain thresholds to the Netherlands Authority for the Financial Markets (AFM).

As per 31 December 2019, the following parties had made a notification to the AFM with respect to their shareholding in Intertrust. Actual percentage may differ slightly.

Shareholder	% <sup>1</sup>	Date of Notification
FMR LLC	9.92%	12 December 2019
Lucerne Capital Management LLC	5.08%	4 December 2019
Harbor Spring	4.97%	20 June 2019
JP Morgan Asset Management Holdings Inc.	4.82%	1 November 2019
Norges Bank	3.84%	7 March 2019

<sup>1</sup> Source: [www.afm.nl](http://www.afm.nl), AFM register.

More information can be found in the Shares and shareholders chapter (see page 30) of this Annual Report.

### Special rights of control

Intertrust has not issued shares to which special rights of control are attached.

### Control mechanisms relating to employee participation plans

Under none of the Intertrust share plans can the voting rights on the shares be exercised before the shares awarded have vested.

### Voting limitations

There are no limitations on the voting rights attached to the shares in Intertrust.

### Lock-up agreements

This information is included in the paragraph 'Transfer of shares and transfer restrictions' in this chapter.

### Diversity

In 2017, the Supervisory Board adopted a Diversity Policy which is available on Intertrust's website: <https://www.intertrustgroup.com/investors>.

For Intertrust, diversity means a workforce reflective of different genders, nationalities, cultures, generations, ethnic groups, abilities, education and social backgrounds. Intertrust does not discriminate on the basis of age, skin colour, disability, gender, marital status, nationality, race, religion, sexual orientation or other ethnic or cultural aspects.

Intertrust attaches great value to diversity within its main corporate bodies and senior leadership. Intertrust believes that diversity in its broadest meaning makes the organisation stronger and more sustainable. Diversity is critical to the ability to be open to different ways of thinking and acting enhancing long-term sustainability. Intertrust will continue to strive for an adequate and balanced composition of the Management Board, the Supervisory Board and the Executive Committee (the

Boards) in future appointments, by taking into account all relevant selection criteria.

Intertrust applies the following principles to the composition of its Boards:

1. To maintain the number of women on the Boards, whereby the preferred composition includes at least 30% female members and at least 30% male members and to maintain these percentages.
2. To create a diverse mix of knowledge, skills and expertise, in line with the required profiles.
3. To strive for sufficient complementarity, pluralism and diversity with regard to age, gender and background.
4. To ensure relevant professional and educational backgrounds within the Boards, including among other things:
  - Financial expertise
  - Relevant industry knowledge
  - Knowledge of IT
  - International experience
  - Risk management experience
  - Experience in the planning and implementation of company strategies
  - Governance and leadership experience

In 2019, the gender balance for both the Management Board and the Supervisory Board referred to under (1) above was met. With a total of three female members, the Executive Committee has not reached a balanced distribution of seats in 2019. Intertrust will strive to add an additional female member to the Executive Committee should a vacancy arise. Intertrust wishes to recruit the best candidate for the job with a preference for a female candidate in case of equal capabilities.

Intertrust believes that the diversity pillars as referred to under (2)–(4) are sufficiently represented in its Boards as further described in the Management Board, Supervisory Board and Executive Committee paragraph of this Corporate Governance chapter.

### Provisions regarding the appointment and dismissal of members of the Management Board and Supervisory Board

This information is included in the subparagraphs "Appointment, removal and suspension" of the Management Board (see page 56) and Supervisory Board (see page 59) sections respectively of this Corporate Governance chapter.

## Authority of the Management Board to issue and repurchase shares

Information on the authority of the Management Board to issue and repurchase shares is included in the subparagraphs "Issuance of shares" and "Acquisition of own shares" in the Share Capital section (see page 67) of this Corporate Governance chapter.

## Change of control

A change of control provision is included in the senior facilities agreement of Intertrust and in the Management Agreement of Rogier van Wijk.

## Severance payments

The agreements of the members of the Management Board provide for severance payments in the event of a termination other than for urgent cause.

# Consolidated Financial Statements

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## Consolidated statement of profit or loss

(EUR 000)	Note	2019	2018
Revenue	5	543,340	496,056
Staff expenses	6	(250,732)	(223,559)
Rental expenses	15	(8,563)	(24,309)
Other operating expenses	8	(77,045)	(65,179)
Other operating income		135	51
Depreciation and amortisation of other intangible assets	17	(28,591)	(11,096)
Amortisation of acquisition-related intangible assets	17	(46,075)	(41,309)
<b>Profit/(loss) from operating activities</b>		<b>132,469</b>	<b>130,655</b>
Finance income		24,401	387
Finance expense		(42,125)	(33,321)
<b>Financial result</b>	22	<b>(17,724)</b>	<b>(32,934)</b>
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	18	44	78
<b>Profit before income tax</b>		<b>114,789</b>	<b>97,799</b>
Income tax	26	(24,447)	(8,408)
<b>Profit for the year after tax</b>		<b>90,342</b>	<b>89,391</b>
<i>Profit for the year after tax attributable to:</i>			
Owners of the Company		90,325	89,362
Non-controlling interests		17	29
<b>Profit for the year</b>		<b>90,342</b>	<b>89,391</b>
Basic earnings per share (EUR)	9	1.01	1.00
Diluted earnings per share (EUR)	9	1.00	0.99

## Consolidated statement of comprehensive income

(EUR 000)	Note	2019	2018
<b>Profit for the year after tax</b>		<b>90,342</b>	<b>89,391</b>
Actuarial gains and losses on defined benefit plans	28	(1,122)	843
Income tax on actuarial gains and losses on defined benefit plans		-	154
<b>Items that will never be reclassified to profit or loss</b>		<b>(1,122)</b>	<b>997</b>
Foreign currency translation differences – foreign operations		15,854	11,595
Net movement on cash flow hedges in other comprehensive income	21	(3,729)	(525)
Income tax on net movement on cash flow hedges in other comprehensive income	26	(312)	132
<b>Items that are or may be reclassified to profit or loss</b>		<b>11,813</b>	<b>11,202</b>
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>10,691</b>	<b>12,199</b>
<b>Total comprehensive income for the year</b>		<b>101,033</b>	<b>101,590</b>
<i>Total comprehensive income/(loss) for the year attributable to:</i>			
Owners of the Company		101,023	101,558
Non-controlling interests		10	32
<b>Total comprehensive income for the year</b>		<b>101,033</b>	<b>101,590</b>

The Notes on pages 78 to 137 are an integral part of these consolidated financial statements.

## Consolidated statement of financial position

(EUR 000)	Note	31.12.2019	31.12.2018
<b>Assets</b>			
Property, plant and equipment	15	107,713	14,580
Other intangible assets	16	17,554	15,289
Acquisition-related intangible assets	16	1,729,011	1,451,836
Investments in equity-accounted investees	18	156	149
Other non-current financial assets	21	42,388	2,404
Deferred tax assets	27	6,829	2,159
<b>Non-current assets</b>		<b>1,904,151</b>	<b>1,486,417</b>
Trade receivables	11	100,794	90,478
Other receivables	13	31,197	18,422
Work in progress	10	33,851	34,228
Current tax assets		842	4,836
Other current financial assets	21	2,453	521
Prepayments		11,347	8,233
Cash and cash equivalents	19	121,044	127,803
<b>Current assets</b>		<b>301,528</b>	<b>284,521</b>
<b>Total assets</b>		<b>2,205,679</b>	<b>1,770,938</b>
<b>Equity</b>			
Share capital		54,190	53,853
Share premium		630,441	630,441
Reserves		(23,276)	(39,294)
Retained earnings		113,117	73,546
<b>Equity attributable to owners of the Company</b>		<b>774,472</b>	<b>718,546</b>
Non-controlling interests	25	267	257
<b>Total equity</b>	<b>24</b>	<b>774,739</b>	<b>718,803</b>
<b>Liabilities</b>			
Loans and borrowings	20	918,346	774,927
Other non-current financial liabilities	21	94,309	3,664
Employee benefits liabilities	28	2,575	929
Deferred income	12	5,100	5,362
Provisions	29	960	699
Deferred tax liabilities	27	91,550	69,330
<b>Non-current liabilities</b>		<b>1,112,840</b>	<b>854,911</b>
Loans and borrowings	20	98,691	2,433
Other current financial liabilities	21	19,295	1,555
Deferred income	12	78,085	68,251
Provisions	29	1,101	4,125
Current tax liabilities		32,699	31,478
Trade payables		11,814	8,375
Other payables	13	76,415	81,007
<b>Current liabilities</b>		<b>318,100</b>	<b>197,224</b>
<b>Total liabilities</b>		<b>1,430,940</b>	<b>1,052,135</b>
<b>Total equity and liabilities</b>		<b>2,205,679</b>	<b>1,770,938</b>

The Notes on pages 78 to 137 are an integral part of these consolidated financial statements.



## Consolidated statement of changes in equity

(EUR 000)

For the period ended 31 December 2019

	Note	Attributable to owners of the Company								Total equity
		Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total	Non-controlling interests	
Balance at 01 January 2019		53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803
Profit/(loss) for the year		-	-	90,325	-	-	-	90,325	17	90,342
Other comprehensive income/(loss) for the year, net of tax		-	-	(1,122)	15,861	(4,041)	-	10,698	(7)	10,691
Total comprehensive income/(loss) for the year		-	-	89,203	15,861	(4,041)	-	101,023	10	101,033
<i>Contributions and distributions</i>										
Equity-settled share-based payment	7	-	-	6,130	-	-	-	6,130	-	6,130
Treasury shares delivered	7	-	-	(4,198)	-	-	4,198	-	-	-
Dividends paid	24	-	-	(55,654)	-	-	-	(55,654)	-	(55,654)
Total contributions and distributions		-	-	(53,722)	-	-	4,198	(49,524)	-	(49,524)
<i>Changes in ownership interests</i>										
Business combination	14	337	-	(337)	-	-	-	-	-	-
Total changes in ownership interest		337	-	(337)	-	-	-	-	-	-
Total transactions with owners of the Company		337	-	(54,059)	-	-	4,198	(49,524)	-	(49,524)
IFRS16 opening balance adjustment	3	-	-	4,427	-	-	-	4,427	-	4,427
Total opening balance sheet adjustments		-	-	4,427	-	-	-	4,427	-	4,427
Balance at 31 December 2019		54,190	630,441	113,117	(13,984)	(4,979)	(4,313)	774,472	267	774,739

The Notes on pages 78 to 137 are an integral part of these consolidated financial statements.

## Consolidated statement of changes in equity (continued)

(EUR 000)

For the period ended 31 December 2018

	Note	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) for the year		-	-	89,362	-	-	-	89,362	29	89,391
Other comprehensive income/(loss) for the year, net of tax		-	-	997	11,592	(393)	-	12,196	3	12,199
Total comprehensive income/(loss) for the year		-	-	90,359	11,592	(393)	-	101,558	32	101,590
<i>Contributions and distributions</i>										
Equity-settled share-based payment	1	-	-	5,454	-	-	-	5,454	-	5,454
Purchase of treasury shares	24	-	-	-	-	-	(36,011)	(36,011)	-	(36,011)
Treasury shares delivered	7	-	-	(5,937)	-	-	5,937	-	-	-
Dividends paid	24	-	-	(56,171)	-	-	-	(56,171)	-	(56,171)
Total contributions and distributions		-	-	(56,654)	-	-	(30,074)	(86,728)	-	(86,728)
<i>Changes in ownership interests</i>										
Share cancellation	24	(1,347)	-	(34,542)	-	-	35,889	-	-	-
Total changes in ownership interest		(1,347)	-	(34,542)	-	-	35,889	-	-	-
Total transactions with owners of the Company		(1,347)	-	(91,196)	-	-	5,815	(86,728)	-	(86,728)
IFRS9 opening balance adjustment	3	-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
Total opening balance sheet adjustments		-	-	(1,202)	-	-	-	(1,202)	-	(1,202)
Balance at 31 December 2018		53,853	630,441	73,546	(29,845)	(938)	(8,511)	718,546	257	718,803

The Notes on pages 78 to 137 are an integral part of these consolidated financial statements.

## Consolidated statement of cash flows

(EUR 000)	Note	2019	2018
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year		90,342	89,391
<i>Adjustments for:</i>			
Income tax expense	26	24,447	8,408
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)	18	(44)	(78)
Financial result	22	17,724	32,934
Depreciation and amortisation of other intangible assets	17	28,591	11,096
Amortisation of acquisition-related intangible assets	17	46,075	41,309
(Gain)/loss on sale of non-current assets		18	33
Other non cash items		5,942	5,495
		<b>213,095</b>	<b>188,588</b>
<i>Changes in:</i>			
(Increase)/decrease in trade working capital <sup>1</sup>		4,673	19,041
(Increase)/decrease in other working capital <sup>2</sup>		(3,545)	3,271
Increase/(decrease) in provisions		(2,798)	3,743
Changes in foreign currency		(333)	(967)
		<b>211,092</b>	<b>213,676</b>
Income tax paid		(24,435)	(28,698)
<b>Net cash from/(used in) operating activities</b>		<b>186,657</b>	<b>184,978</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		3	11
Purchase of property, plant and equipment	15	(4,578)	(3,291)
Purchase of intangible assets	16	(7,406)	(6,275)
Acquisitions, net of cash acquired	14	(254,777)	(6,611)
(Increase)/decrease in other financial assets		(1,327)	1,670
Dividends received		130	75
Interest received	22	808	322
<b>Net cash from/(used in) investing activities</b>		<b>(267,147)</b>	<b>(14,099)</b>

<sup>1</sup> (Increase)/decrease in trade Working capital: is defined by the net (increase)/decrease in Trade receivables, Work in progress, Trade payables and Deferred income.

<sup>2</sup> (Increase)/decrease in 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).

The Notes on pages 78 to 137 are an integral part of these consolidated financial statements.

## Consolidated statement of cash flows (continued)

(EUR 000)	Note	2019	2018
<b>Cash flows from financing activities</b>			
Proceeds from bank borrowings	20	259,556	789,802
Repayment of loans and borrowings banks	20	(67,622)	(782,906)
Interest and other finance expenses paid		(34,429)	(23,347)
Payment of financing costs		(1,913)	(13,216)
Change in financial lease liability/asset due to IFRS16	15	(17,810)	-
Dividends paid	24	(55,654)	(56,171)
Acquisition of treasury shares	24	-	(37,040)
Interest rate hedge settlement		-	(330)
<b>Net cash from/(used in) financing activities</b>		<b>82,128</b>	<b>(123,208)</b>
<b>Net increase/(decrease) in cash</b>		<b>1,638</b>	<b>47,671</b>
Cash attributable to the Company at the beginning of the period	19	105,505	56,157
Effect of exchange rate fluctuations on cash attributable to the Company		3,075	1,677
<b>Cash attributable to the Company at the end of the period</b>		<b>110,218</b>	<b>105,505</b>
Cash held on behalf of clients at the end of the period	19	10,826	22,298
<b>Cash and cash equivalents at the end of the period</b>	19	<b>121,044</b>	<b>127,803</b>

The Notes on pages 78 to 137 are an integral part of these consolidated financial statements.

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# Section 1

## General information and basis for reporting



## 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 financial statements of the Company for the period from 1 January 2019 to 31 December 2019 comprise the Company and its subsidiaries (together referred as the "Group" and individually as "Group entities") and the Group's interest in associates.

The Company began trading its shares on Euronext Amsterdam on 15 October 2015 following an Initial Public Offering (IPO). The Group provides corporate and fund services, private client services and capital markets services. As at 31 December 2019, the Group has operations in more than 30 countries and employed 3,467 FTEs as at 31 December 2019 (31 December 2018: 2,515 FTEs).

## 2. Basis of preparation

### 2.1. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for use in the EU (EU IFRS) effective as at 31 December 2019 and in accordance with Title 9 Book 2 of the Dutch Civil Code.

These consolidated financial statements were authorised for issue by the Management Board and approved by the Supervisory Board on 13 February 2020. They are subject to approval by the Annual General Meeting to be held on 14 May 2020.

### 2.2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- Derivative financial instruments are measured at fair value;
- Defined benefit liabilities/(assets) are recognised at the fair value of plan assets less the present value of defined benefit obligation, as explained in Note 28.

### 2.3. Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Company's functional currency. All financial information presented in Euro has been rounded to the nearest thousand (EUR 000), unless otherwise indicated.

### 2.4. Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 15: IFRS16 related assumptions;
- Note 16.1: impairment test: key assumptions underlying recoverable amounts of cash generating units;
- Note 27.1: recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Note 29: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as much as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about assumptions made in measuring fair values is included in the following notes:

- Note 7.1 description of share-based payment arrangements;
- Note 23.6 fair values of financial instruments.

### 3. Significant accounting policies and standards

#### 3.1. Changes in accounting policies and new standards

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities. There have been no significant changes compared to the prior year consolidated financial statements as at and for the year ended 31 December 2018 except specifically mentioned below.

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 and effective from 1 January 2019 other than IFRS16:

- Prepayment Features with Negative Compensation – Amendments to IFRS9;
- Long-term Interests in Associates and Joint Ventures – Amendments to IAS28;
- Plan Amendment, Curtailment or Settlement – Amendments to IAS19;
- Interpretation 23 *Uncertainty over Income Tax Treatments*; and
- Annual improvement 2015–2017 cycle.

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

All IFRS standards and interpretations that were in issue but not yet effective for reporting periods beginning on 1 January 2019 have not yet been adopted and disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2019.

#### IFRS16 'Leases'

IFRS16 'Leases', published in January 2016, introduces a new definition of a lease bringing most leases on-balance in the financial statements of the lessee. It replaces existing guidance on leases, including IAS17. The Group implemented IFRS16 per 1 January 2019 both where the Group is a lessor and a lessee. 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 a smaller impact to the opening equity.

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.

A more detailed impact assessment is disclosed under Note 15.

#### Other standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### 3.2. Summary of significant accounting policy

The general accounting policies applied to the consolidated financial statements as a whole are described below, while other significant accounting policies related to specific items are described under the relevant note. The description of accounting policy in the notes forms an integral part of the description of the accounting policies in this section. Unless otherwise stated, these policies have been consistently applied to all the years presented.



	Note
Revenue	5
Acquisition of subsidiaries	14
Employee benefits	28
Share-based payment arrangements	7
Property, plant and equipment (including IFRS16)	15
Intangible assets and goodwill	16
Impairment of non-financial assets	16.1
Financial instruments	23
Provisions	29
Trade receivables	11
Equity	24

### 3.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled either directly, or indirectly, by the Company. Control is achieved when the parent is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policy in line with the Group.

#### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Foreign currency

##### Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- FVOCI – equity instrument (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);
- financial liabilities designated as hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent the hedge is effective.

#### Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date (closing rates). The income and expenses of foreign operations are translated into Euro at exchange rates at the dates of the transactions.

The Group doesn't own nor control any foreign operations in hyperinflationary economies.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

### Hedge of a net investment in foreign operations

The Group applies hedge accounting to foreign currency differences arising between the functional currency of foreign operation and the Company's functional currency (Euro).

To the extent that the hedge is effective, foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in Other comprehensive income (OCI) and accumulated in the translation reserve. Any remaining differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

### 3.4. Cash flow statement

Cash flow statements are prepared using the indirect method. Cash flows from derivative instruments are classified consistently with the nature of the instruments. Dividend income is presented under investing activities.

## 4. Non IFRS financial measures

### 4.1. Definitions

For the definitions of non-financial measures we refer to the Glossary. 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;
  - 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 of all property, plant and equipment as well as amortisation of other intangible assets.

- Adjusted EBITA margin is defined Adjusted EBITA divided by revenue, and is expressed as a percentage.
- Adjusted net income is defined as Adjusted EBITA less 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 earnings per share is defined as adjusted net income divided by the weighted-average number of basic shares for 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.
- Net interest is defined as net finance cost excluding foreign exchange gains and losses and fair value adjustments (for specific financial instruments) recognised in the Statement of profit or loss.
- Working capital (WC) in the Statement of financial position is defined as the total of the trade working capital, other working capital and net current tax.
- Trade working capital in the Statement of financial position is defined as the total of Trade receivables, Work in progress, Trade payables and Deferred income.
- Other working capital in the Statement of financial position is defined as the total of Other receivables, Prepayments and Other payables.
- Net tax positions in WC is defined as the net of deferred tax balances and income tax receivables and payables.
- Capital employed is defined as the total of Working capital (WC) in the Statement of financial position, Property, Plant and Equipment and Intangibles (including acquisition related and other assets).
- Net debt is defined as the net of cash and cash equivalents excluding cash held on behalf of customers and gross value of 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 Senior Facility Agreement (SFA) adjustments such as the addback of LTM Long term incentive plan (LTIP), Share deferral plan (SDP) and Rollover share plan accruals.
- Effective tax rate (ETR) is calculated as minus one times income tax expense divided by the profit before tax of the Group.

## Section 2

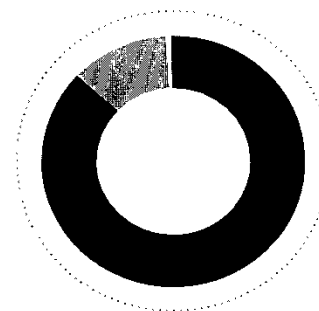
# Result of the year

This section presents the notes related to items in the income statement (except for depreciation and amortisation, operating leases, financial results and taxes) and disclosure of operating segments. If applicable, relevant notes on balance sheet items, which also relate to items in the income statement, are also presented in this section. A detailed description of the results for the year is provided in the financial performance section in the Management Board report.



Full year revenue  
**543.3**  
in EUR million

Basic EPS  
**1.01**  
EUR



■ Corporates (EUR 196.0 million)  
■ Funds (EUR 213.1 million)  
■ Private Wealth (EUR 65.4 million)  
■ Capital Markets (EUR 65.4 million)  
■ Other (EUR 3.4 million)

## 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.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. Revenue is recognised in profit or loss to the prorate part of the services rendered to the client during the reporting period. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Revenue comprises corporate, fund services, private wealth and capital markets services. Revenue also includes rental income from subleasing to clients.

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 and Switzerland.
- Americas: Bahamas, Brazil, BVI, Canada, Cayman Islands, Curacao, India (as of Q2 2019) and US.
- Rest of the World: Asia Pacific (Australia, China, Hong Kong, Japan, Singapore and New Zealand); and Northern and Southern Europe (Cyprus, Denmark, Finland, Guernsey, Ireland, Jersey, Norway, Spain, Sweden, 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)	2018 presented in 2019		2018 presented in 2018	
	Revenue	% Revenue	Revenue	% Revenue
Netherlands	-	n.a.	115,749	23%
Luxembourg	-	n.a.	109,125	22%
Western Europe	234,238	47%	-	n.a.
Americas	79,873	16%	84,434	17%
Jersey	-	n.a.	57,854	12%
Rest of the World	121,945	37%	128,894	26%
<b>Segment Revenue</b>	<b>496,056</b>	<b>100%</b>	<b>496,056</b>	<b>100%</b>

<sup>1</sup> Revenue % is calculated from non-rounded figures.

(EUR 000)	2018 presented in 2019		2018 presented in 2018	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Netherlands	-	n.a.	69,838	38%
Luxembourg	-	n.a.	62,741	34%
Western Europe	134,150	72%	-	n.a.
Americas	43,626	23%	45,693	25%
Jersey	-	n.a.	29,166	16%
Rest of the World	78,486	42%	48,824	26%
Group HQ and IT costs <sup>2</sup>	(70,397)	-38%	(70,397)	-38%
<b>Segment Adjusted EBITA</b>	<b>185,865</b>	<b>100%</b>	<b>185,865</b>	<b>100%</b>

<sup>1</sup> Adjusted EBITA % is calculated from non-rounded figures.

<sup>2</sup> Group HQ and IT costs are not allocated by operating segment.

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 that such information is the most relevant in evaluating the results of the respective segments.

(EUR 000)	Note	2019	2018
<b>EBITDA</b>		<b>207,135</b>	<b>183,060</b>
Integration and transformation costs	8	8,515	12,486
Impact of IFRS16 on adjusted items		(1,064)	-
Share-based payment upon IPO, integration	7	3,047	1,285
Transaction costs	8	7,316	110
Other operating expenses		556	20
<b>Adjusted EBITDA</b>		<b>225,505</b>	<b>196,961</b>
Depreciation and amortisation of other intangible assets	17	(28,591)	(11,096)
<b>Adjusted EBITA</b>		<b>196,914</b>	<b>185,865</b>

The individual Adjusted EBITA by operating segment excludes the allocation of Group HQ and IT costs, which is subsequently deducted from the total.

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

Profit/(loss) before income tax is not used to measure the performance of the individual segment as items like *amortisation of intangibles (except for software) and net finance costs* are not allocated to individual segments.

## 5.2. Information about reportable segments

(EUR 000)	2019		2018	
	Revenue	% Revenue	Revenue	% Revenue
Western Europe	237,295	44%	234,238	47%
Rest of the World	196,677	36%	181,945	37%
Americas	110,911	20%	79,873	16%
<b>Segment Revenue</b>	<b>544,883</b>	<b>100%</b>	<b>496,056</b>	<b>100%</b>

<sup>1</sup> Revenue % is calculated from non-rounded figures.

(EUR 000)	2019		2018	
	Adjusted EBITA	% Adjusted EBITA	Adjusted EBITA	% Adjusted EBITA
Western Europe	132,903	67%	134,150	72%
Rest of the World	84,196	43%	78,486	42%
Americas	58,582	30%	43,626	23%
Group HQ and IT costs <sup>2</sup>	(78,767)	-40%	(70,397)	-38%
<b>Segment Adjusted EBITA</b>	<b>196,914</b>	<b>100%</b>	<b>185,865</b>	<b>100%</b>

<sup>1</sup> Adjusted EBITA % is calculated from non-rounded figures.

<sup>2</sup> Group HQ and IT costs are not allocated by operating segment.

### 5.3. Reconciliation of reportable segments to profit before income tax

(EUR 000)	Note	2019	2018
Adjusted EBITA reportable segments		196,914	185,865
Share-based payment upon IPO, integration	7	(3,047)	(1,285)
Transaction costs	8	(7,316)	(110)
Integration and transformation costs	8	(8,515)	(12,486)
Impact of IFRS16		1,064	-
Other operating expenses	8	(556)	(20)
Amortisation of acquisition-related intangibles	17	(46,075)	(41,309)
Financial result	22	(17,724)	(32,934)
Share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax)		44	78
<b>Profit before income tax</b>		<b>114,789</b>	<b>97,799</b>

### 5.4. Entity-wide disclosures

Management does not distinguish between revenue streams resulting from different services. Therefore no further split of revenues is presented.

There is no single customer amounting to 10% or more of Group's revenues.

### 6. Staff expenses

(EUR 000)	Note	2019	2018
Salaries and wages		(193,561)	(171,805)
Other personnel expenses		(22,743)	(20,556)
Social security contributions		(18,729)	(17,191)
Pensions and benefits		(9,596)	(8,536)
Share-based payment long term incentives	7	(3,056)	(4,186)
Share-based payment upon IPO and integration	7	(3,047)	(1,285)
<b>Staff expenses</b>		<b>(250,732)</b>	<b>(223,559)</b>

Pension and benefits includes defined contributions of EUR 9,098 thousand (2018: EUR 8,467 thousand) and defined benefits amounting to an expense of EUR 498 thousand (2018: expense of EUR 69 thousand).

Staff expenses include specific items for share based payments upon IPO and integration:

- share based payments upon integration of EUR 69 thousand (2018: EUR 195 thousand);

- share based payments upon IPO of EUR 1,090 thousand in 2018 (2019: nil); and
- share based payments relating to the Viteos acquisition (Viteos Rollover Share Plan) of EUR 2,978 thousand.

These programs are related to the awards granted related to the following events:

- the listing of the Company's shares on Euronext Amsterdam in 2015;
- the Elian acquisition in September 2016;
- the Azcona asset deal in February 2017;
- Viteos acquisition in June 2019 (see further details in Note 14).

The number of FTEs at year end amounts to 3,467 (2018: 2,515). Average number of FTE in 2019 amounts to 3,358\* (2018: 2,497).

### 7. Share-based payment arrangements

The Company operates equity-settled share-based payment arrangements, under which services are received from Management Board members and eligible employees.

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment awards made, including the impact of any non-vesting conditions and market conditions.

Service conditions and non-market performance conditions are taken into account in the number of awards expected to vest. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of awards that will eventually vest, with a corresponding credit to equity.

At each reporting date, the Company revises its estimates of the number of awards that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the income statement for the period.

The employer social security contributions payable in connection with an award made is considered an integral part of the award, and the charge is treated as a cash-settled share-based payment transaction.

\* Calculated with proportionated average of acquired entities for comparison reason. Excluding this proportionated weighing the average number of FTE is 3,047.

## 7.1. Description of share-based payment arrangements

The Company has implemented and granted awards to members of the Management Board and selected eligible employees under the following equity-settled share-based payment plans:

- Executive Ownership Plan (EOP);
- Employee Stock Ownership Plan (ESOP);
- Long Term Incentive Plan for employees granted in 2016, 2017 and 2018 (LTIP 1-4);
- Long Term Incentive Plan for Executive Committee (LTIP 5);
- Employee Share Deferral Plan 2019 (SDP);
- Performance Share Plan 2019 (PSP); and
- Viteos Rollover Share Plan (VRS).

### a) Executive Ownership Plan (EOP)

In 2015, the members of the Management Board and selected eligible members of senior management were invited to make a one-off investment in the Company's shares at a share price equal to the introduction price of one Company share on Euronext Amsterdam at the time of the IPO. In addition, shares representing 14% of the total investment amount were allocated to the eligible participants for no consideration.

The grant date fair value of each of the 216,605 additional EOP shares allocated for no consideration was equal to the introduction share price at the date of listing of EUR 15.50. As there were no vesting conditions related to the additional EOP shares, the total grant date fair value was expensed immediately.

For each of the acquired/allocated shares, the participants were awarded the conditional right to receive one Company share for every three EOP shares (the Matching Shares) for no consideration. These Matching Shares vested in 2018 on the third anniversary of the IPO settlement date to the extent that the participant still (i) held all the EOP shares and (ii) was employed by the Company on this date. The grant date fair value of the Matching Shares was therefore expensed over a period of 3 years starting on the IPO settlement date.

Details of the number of Matching Shares in 2018 were as follows:

In number of shares	2018
Outstanding at the beginning of the year	435,129
Forfeited during the year	(58,470)
Vested during the year	(376,659)
Outstanding at the end of the year	-

The Matching Shares awarded in 2015 did not entitle the participants to receive dividends during the vesting period.

EOP matching shares vested in 2018.

### b) Employee Stock Ownership Plan (ESOP)

On 1 February 2017, the Management Board has made a one-time award of the Company's shares (ESOP Shares) to eligible employees from Azcona, to celebrate Azcona and Intertrust joining forces. These awards entitled each eligible employee to receive shares for no consideration, subject to continued employment for a period of one year from the acquisition date. Participants were not entitled to receive dividends during the vesting period. As dividends were expected during the vesting period of the new ESOP shares, the fair value at grant date of the Celebration Shares of EUR 16.82 was equal to the share price at grant date less the discounted value of expected future dividends.

In number of shares	2018
Outstanding at the beginning of the year	4,080
Awarded during the year	-
Forfeited during the year	-
Vested during the period	(4,080)
Outstanding at the end of the year	-

Last ESOP shares vested in February 2018.

### c) Long term Incentive Plan (LTIP 1-4)

As referred to in the 2015 Remuneration Policy, the LTIP was implemented during the first half year of 2016. Conditional performance shares were awarded to members of the Management Board and eligible members of senior management on 1 April 2016 (LTIP 1-2), 1 April 2017 (LTIP 3) and 1 April 2018 (LTIP 4).

Performance shares are awarded on an annual basis and vest on the third anniversary of the grant date subject to (i) the participant remaining in continuous employment during the vesting period and (ii) the Group meeting the pre-determined performance criteria.

For all performance cycles 2016-2019, 2017-2020 and 2018-2021, an adjusted Earnings per Share (adjusted EPS) growth performance target applied. Subject to meeting the service condition, the number of LTIP Shares that vest will be between 0% (adjusted EPS growth below the threshold) and 150%. The vesting percentage was allocated linearly between the threshold level and 100% and also from 100% to the maximum level. For 2016-2019 grants a vesting percentage of 104.67% was applied based on the Adjusted EPS growth of 9.28%. Those shares vested on 1 April 2019. For the other remaining LTIP grants, 25% of the grants of the participants were cancelled and on the remaining grants the performance

criteria was removed on 12 June 2019. Limited number of exceptions were recognised due to good leavers.

In addition, following the acquisition of Elian, the Management Board awarded performance shares under the LTIP to eligible Elian employees on 1 November 2016. These awards had the same vesting conditions (including the same vesting date) as the performance shares granted on 1 April 2016 and also vested on 1 April 2019.

Details of the number of LTIP Shares (LTIP 1-4) awarded and outstanding (at target) are as follows:

In number of shares	2019	2018
Outstanding at the beginning of the year	976,790	711,350
Awarded during the year	371,519	425,215
Cancelled during the year	(163,479)	-
Forfeited during the year	(150,053)	(159,775)
Vested during the year	(249,600)	-
Outstanding at the end of the year	785,177	976,790

Participants are not entitled to receive dividends during the vesting period. As dividends are expected during the vesting period, the fair value at grant date of the performance shares is equal to the share price at grant date less the discounted value of expected dividends. The fair value of the LTIP Shares granted in 2019 are presented under d), e), f) and g) (2018: EUR 14.86).

The Management Board's EOP and LTIP awards outstanding and movements during the financial year are disclosed in Note 33.2.

#### d) Long Term Incentive Plan for Executive Committee (LTIP 5)

For the members of the Executive Committee, grants were given also on a similar criteria basis. Their grants vest on each anniversary of the grant date for 3 years. In each year 1/3 of the total grant will vest on the condition of (I) continuous employment of the participant during the vesting period and (II) the Group meeting the pre-determined performance criteria in the first year the grant is given. There were 40,238 shares granted on 1 April 2019, 7,738 shares forfeited, and based on the performance of the Company, 95% of the total remaining 32,500 number of shares will vest in the upcoming three years.

Details of the number of LTIP Shares (LTIP 5) awarded and outstanding (at target) are as follows:

In number of shares	2019
Outstanding at the beginning of the year	-
Awarded during the year	40,238
Cancelled during the year	-
Forfeited during the year	(7,738)
Outstanding at the end of the year	32,500

Participants are not entitled to receive dividends during the vesting period. As dividends are expected during the vesting period, the fair value of the performance shares at grant date is equal to the share price at grant date less the discounted value of expected dividends. The fair value of the LTIP 5 shares granted in 2019 is EUR 15.26.

#### e) Employee Share Deferral Plan 2019 (SDP)

As continuance of the Long term Incentive Plan, the SDP grants were implemented during the first half year of 2019. Grants were awarded to eligible employees on 1 April 2019.

Performance shares are awarded on an annual basis and vest on each anniversary of the grant date for 3 years. In each year 1/3 of the total grant will vest subject to the participant remaining in continued employment during the vesting period. Participants are not entitled to receive dividends during the vesting period. As dividends are expected during the vesting period, the fair value of the shares at grant date is equal to the share price at grant date less the discounted value of expected dividends. The fair value of the SDP shares granted in 2019 is EUR 15.26.

Details of the number of SDP grants awarded and outstanding (at target) are as follows:

In number of shares	2019
Outstanding at the beginning of the year	-
Awarded during the year	256,677
Forfeited during the year	(22,029)
Outstanding at the end of the year	234,648

#### f) Performance Share Plan 2019 (PSP)

The Management Board was granted awards under a new plan, called Performance Share Plan on 29 November 2019. See details about this new plan under the Remuneration note.

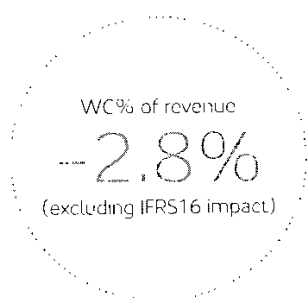
A PSP award consists of an award of conditional performance shares that become unconditional at the end of a three-year performance period. It is subject to achieving predetermined targets based on Absolute Total Shareholder Return (Absolute TSR) with 70% weighting, Underlying Revenue Growth with 30% weighting and to continued employment. The number of conditional performance shares that vest after three years may vary between 0% and 200% of the number of conditionally



## Section 3

# Working capital

The notes in this section specify items that form part of Group's working capital.



## 9.1. Basic earnings per share

The calculation of basic earnings per share is based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(EUR 000)	2019	2018
<b>Profit attributable to ordinary shareholders</b>		
Profit for the period, attributable to the owners of the Company	90,325	89,362
<b>Profit/(loss) attributable to ordinary shareholders</b>	<b>90,325</b>	<b>89,362</b>
<b>In number of shares</b>	<b>2019</b>	<b>2018</b>
<b>Weighted-average number of ordinary shares (basic)</b>		
Issued ordinary shares at 1 January	89,231,848	91,047,255
Effect of distribution of treasury shares for vested shares	19,781	100,651
Effect of issue of treasury shares for Viteos acquisition	301,404	-
Effect of treasury shares held and shares cancelled	-	(1,748,562)
<b>Weighted-average number of ordinary shares at 31 December (basic)</b>	<b>89,734,033</b>	<b>89,399,344</b>

## 9.2. Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

(EUR 000)	2019	2018
<b>Profit attributable to ordinary shareholders</b>		
Profit for the period, attributable to Ordinary shareholders	90,325	89,362
<b>Profit/(loss) attributable to ordinary shareholders</b>	<b>90,325</b>	<b>89,362</b>
<b>In number of shares</b>	<b>2019</b>	<b>2018</b>
<b>Weighted-average number of ordinary shares (diluted)</b>		
Weighted-average number of ordinary shares (basic)	89,734,033	89,399,344
Effect of share-based payment on issue	1,035,476	1,463,521
Effect of share-based payment cancellation	(173,792)	(187,697)
<b>Weighted-average number of ordinary shares at 31 December (diluted)</b>	<b>90,595,717</b>	<b>90,675,168</b>

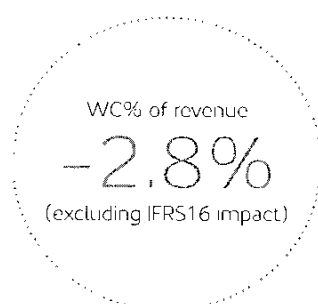
## 9.3. Adjusted net income per share

The Group calculates the Adjusted net income for 2019 to be EUR 141.8 million (2018: EUR 137.7 million). Adjusted net income is defined as Adjusted EBITA (2019: EUR 196.9 million, 2018: EUR 185.9 million), less adjusted net interest costs of EUR 36.7 million (2018: EUR 29.5 million), plus share of profit and result of transactions with equity-accounted investees and subsidiaries (net of tax) of EUR 44 thousand (2018: EUR 0.1 million) and less adjusted tax costs of EUR 18.5 million (2018: EUR 18.7 million).

Based on this Adjusted net income and taking the weighted-average number of basic shares for the year of 89,734,033 (2018: 89,399,344), the adjusted net income per share is EUR 1.58 (2018: EUR 1.54).

## Section 3 Working capital

The notes in this section specify items that form part of Group's working capital.



## 10. Work in progress

Work in progress represents the net unbilled amount expected to be collected from clients for work performed to date. It is measured at the chargeable rate agreed with the individual clients less progress billed.

## 11. Trade receivables

Trade receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using effective interest method, less provision for impairment. A provision for expected credit losses of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables and the receivable itself in line with its lifetime expected credit loss ("ECL"). The amount of the provision is the difference between the asset's carrying amount and the amount calculated by the expected credit loss model. The model calculates the default loss percentage adjusted by forward looking information. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within "Other operating expenses". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "Other operating expenses" in the income statement.

The ageing analysis of trade receivables net of the allowances is as follows:

(EUR 000)		31.12.2019	
	Gross receivables	Allowance for trade receivables	Net receivables
Not yet due	54,408	(1202)	54,206
Past due 1-90 days	28,979	(1,170)	27,809
Past due 91-180 days	10,874	(368)	10,506
Past due 181-360 days	8,341	(1,436)	6,905
Past due more than 360 days	5,848	(4,480)	1,368
<b>Total</b>	<b>108,450</b>	<b>(7,656)</b>	<b>100,794</b>

		31.12.2018	
	Gross receivables	Allowance for trade receivables	Net receivables
Not yet due	49,051	(120)	48,931
Past due 1-90 days	23,950	(747)	23,203
Past due 91-180 days	9,686	(888)	8,798
Past due 181-360 days	9,281	(1,269)	8,012
Past due more than 360 days	5,939	(4,405)	1,534
<b>Total</b>	<b>97,907</b>	<b>(7,429)</b>	<b>90,478</b>

The movements in the allowances in respect of trade receivables during the period were as follows:

(EUR 000)	
<b>Balance at 01 January 2018</b>	<b>(5,789)</b>
IFRS9 Opening balance adjustment	(1,202)
Losses recognised in P&L	(4,665)
Amounts written off during the year	1,743
Unused amounts reversed	2,622
Effect of movements in exchange rates	(138)
<b>Balance at 31 December 2018</b>	<b>(7,429)</b>
<b>Balance at 01 January 2019</b>	<b>(7,429)</b>
Business combination	(15)
Losses recognised in P&L	(4,525)
Amounts written off during the year	1,682
Unused amounts reversed	2,831
Effect of movements in exchange rates	(200)
<b>Balance at 31 December 2019</b>	<b>(7,656)</b>

The impairment losses and unused amounts reversed during the period are recognised in "Other operating expenses" under "Other expenses". For credit risk refer to Note 23.2.

Trade accounts receivable include amounts denominated in the following major currencies:

(EUR 000)	31.12.2019	31.12.2018
EUR	39,892	41,179
USD	40,995	31,929
GBP	12,961	11,783
Other	6,946	5,587
<b>Total</b>	<b>100,794</b>	<b>90,478</b>

## 12. Deferred income

The deferred income represents fixed fees invoiced to customers mainly in November–December for the next year(s). It drives higher trade receivables and deferred income at the end of the period, with the deferred income released in the following year. In some cases the fees are invoiced in advance for the complete life of the structures resulting in non-current deferred income. The expected reversal of the balance of deferred income is shown in the following table:

(EUR 000)	31.12.2019	31.12.2018
To be released within one year	78,085	68,251
To be released between one and five years	3,543	2,940
To be released later than five years	1,557	2,422
<b>Total</b>	<b>83,185</b>	<b>73,613</b>

### Balance at 31 December

<b>Total current</b>	<b>78,085</b>	<b>68,251</b>
<b>Total non-current</b>	<b>5,100</b>	<b>5,362</b>

## 13. Other receivables and other payables

### 13.1. Other receivables

(EUR 000)	31.12.2019	31.12.2018
Accrued income	19,212	9,737
Due from customers	5,888	5,376
VAT and other tax receivables	4,654	1,879
Others	1,445	1,430
<b>Other receivables</b>	<b>31,197</b>	<b>18,422</b>

Due from customers relates to receivables from clients for disbursements and expenses where payments were made on behalf of the customers.

None of the "Other receivables" are past due or impaired.

### 13.2. Other payables

(EUR 000)	Note	31.12.2019	31.12.2018
Accrued expenses for short term			
employee benefits		31,995	24,410
VAT and other tax payables		14,649	14,157
Accrued expenses		13,602	15,651
Liabilities for cash held on behalf of clients	19	10,826	22,298
Due to customers		4,182	3,354
Others		861	1,137
<b>Other payables</b>		<b>76,415</b>	<b>81,007</b>

Accrued expenses for short term employee benefits includes mainly bonus accruals, social charges and holiday allowances.

Liabilities for cash held on behalf of clients relates to advances from clients for future fees, unapplied cash received from clients and disbursements invoiced in advance.

## Section 4

# Investments

The notes in this section specify the group's non-current assets including investments made during the year either through separate asset acquisitions or business combinations.



Capex

12.4

in EUR million excluding  
RoAIFRS16 impact  
on total assets

107.8

in EUR million as at  
31 December 2019Acquisition related  
intangibles

1,729

in EUR million

## 14. Acquisition of subsidiaries

### Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes are recognised in the profit or loss.

### Fair value measurement at acquisition

Cost technique: the valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

Retef-from-royalty method considers the discounted estimated royalty payments that are expected to be voided as a result of the software being owned.

Multi-period access earning method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

Income method determines the fair value based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell services.

### Equity accounted subsidiary

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and

has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

## 14.1. Expanding Intertrust's global footprint

### 2019

#### Viteos

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

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

The acquisition 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 US 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 US 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;
- Strengthened technology foundation – Viteos is at the forefront of digitising and automating fund administration with leading-edge technologies including blockchain,

workflow automation, RPA<sup>6</sup>, and digitalisation/OCR<sup>7</sup>. 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 to fasttrack 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 that date.

From the date of acquisition to 31 December 2019, Viteos contribution to the revenue and adjusted EBITA to the Group's financial statements is EUR 26.3 million and EUR 14.1 million respectively. If the acquisition had occurred on 1 January 2019, management estimates that consolidated revenue for the period ended 31 December 2019 would have further increased by EUR 24.0 million and adjusted EBITA by EUR 7.8 million.

#### Identifiable assets acquired and liabilities assumed

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

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

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

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

#### Consideration transferred and restricted share issue

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

Intertrust N.V. issued 561,150 shares with restrictions subject to continuous employment on shares which were granted to key management of Viteos transferring to Intertrust ("Roll-over plan"). The Group has recognised in the equity these restricted shares on a nominal value of EUR 0.60, and will build the reserves for the fair value of these shares within the upcoming 3 years based on the IFRS 2 requirements for post-combination benefits. See more details on the cost in Note 7.2.

#### Goodwill

Goodwill arising from the acquisition has been recognised as follows:



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

The consideration was transferred in cash.

#### 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)	2019
Consideration transferred	(259,451)
Cash acquired (excluding cash on behalf of clients)	9,257
Acquisition	(250,194)
Repayment of loans	(37,151) <sup>1</sup>
Total impact cash	(287,345)

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

#### ABN AMRO's Escrow and Settlement business

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

#### Wells Fargo Trust Corporation Limited

On 13 December 2019, the Group acquired a part of the Wells Fargo Group, which operates in the UK. It does not have a material impact on the Company's financial position or results and in accordance with IFRS3 no further information is disclosed.

#### 2018

On 2 July 2018, the Group acquired Seed Outsourcing Pty Ltd ("Seed Outsourcing"). Seed Outsourcing is a boutique Australian corporate and fund services firm, providing corporate secretarial, director, domiciliation and payroll services to private equity and real estate fund managers. Intertrust has been working with Seed Outsourcing for more than five years, enabling its global clients to grow their business in Australia and New Zealand. Seed Outsourcing is based in Sydney and the team consisted of six (6) employees. The asset recognised was mainly attributable to revenue from new customers. While this acquisition expands Intertrust's global footprint it does not have a material impact

on the Company's financial position or results and in accordance with IFRS3 no further information is disclosed. Australia is included in the Rest of the World reporting segment.

## 15. Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and all costs directly attributable to bringing the asset to working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost, if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

Regarding right-of-use assets, 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.

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
- estimated restoration costs.

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).

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 classifies 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.

Depreciation for any other property, plant and equipment is calculated to write off the cost of property, plant and equipment less their residual values on a straight-line basis over their expected useful lives as follows:

**Leasehold improvements** 5 to 15 years – not exceeding the remaining lease terms;

**Equipment & motor vehicles** 3 to 10 years;

**IT equipment** 3 to 5 years.

An item of property, plant and equipment and any significant part initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial period end, and adjusted prospectively, if appropriate.

## Transition accounting

The Group has adopted IFRS16 in accordance with the modified retrospective transitional approach (see details in note 3.1.). The group applies the standard only to leases which were previously identified as leases under IAS17 and IFRIC4 in accordance with the practical expedient allowed under the standard. The leases within the group comprises only of buildings, car and other equipment leases. The adoption of this standard results in leases being recognised on the balance sheet, except for short-term and low-value leases, which caused a significant decrease of the rental and increase in the depreciation expenses in the statement of profit or loss in 2019. The not transitioning leases remained in the statement of profit or loss as rental expenses. At the date of 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.

## Movements

As at 1 January 2019, the group recognised right-of-use assets of EUR 75.9 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 movement during the financial year was included in the movement schedule of all tangibles.

	1 January	IFRS16	Adjusted
(EUR million)	2019	adjustment	1 January 2019
Non-current assets	1,486,417	91,902	1,578,319
Current assets	284,521	(361)	284,160
<b>Total Assets</b>	<b>1,770,938</b>	<b>91,541</b>	<b>1,862,479</b>
Total Equity	718,803	4,427	723,230
Non-current liabilities	854,911	71,646	926,557
Current liabilities	197,224	15,468	212,692
<b>Total Equity and Liabilities</b>	<b>1,770,938</b>	<b>91,541</b>	<b>1,862,479</b>

The following table shows how the Group's commitments transitioned to the lease liabilities as at 1 January 2019:

(EUR million)	1 January 2019
Operating lease commitment as at 31 December 2018 as disclosed in the Group's consolidated financial statements	63,721
- Recognition exemption for leases of low-value assets	(1,039)
- Discounted using the incremental borrowing rate at 1 January 2019	(16,718)
- Recognition exemption for leases with less than 12 months of lease term at transition and other reasons	(405)
- Service contract not transitioning	(6,229)
- Extension options reasonably certain to be exercised	49,339
<b>Lease liabilities recognised at 1 January 2019</b>	<b>88,669</b>
Current	17,001
Non-current	71,668

The impact to the statement of profit or loss for the period ended 31 December 2019 is an increase in EBITA of EUR 0.6 million, including the increase in depreciation cost of EUR 16.9 million, in addition to this an increase in finance cost of EUR 2.7 million. Total negative impact on the profit after tax was EUR 2.0 million.

Consolidated Financial Statements	Notes to the consolidated financial statements	Other financial statements	Other information
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The movements of all tangible assets are as follows:

(EUR 000)	Leasehold improvements	Equipment & motor vehicles	IT equipment	Right-of-use assets	Total
Cost	12,664	5,060	14,604	-	32,328
Accumulated depreciation and impairment losses	(4,547)	(2,925)	(8,386)	-	(15,858)
<b>Balance at 1 January 2018</b>	<b>8,117</b>	<b>2,135</b>	<b>6,218</b>	<b>-</b>	<b>16,470</b>
Business combinations, incoming entities	12	-	20	-	32
Additions	1,444	386	1,461	-	3,291
Disposals	-	(1)	(23)	-	(24)
Depreciation of the period	(1,885)	(594)	(2,746)	-	(5,225)
Effect of movements in exchange rates	26	7	3	-	36
<b>Movements in 2018</b>	<b>(403)</b>	<b>(202)</b>	<b>(1,285)</b>	<b>-</b>	<b>(1,890)</b>
Cost	13,754	5,507	14,056	-	33,317
Accumulated depreciation and impairment losses	(6,040)	(3,574)	(9,123)	-	(18,737)
<b>Balance at 31 December 2018</b>	<b>7,714</b>	<b>1,933</b>	<b>4,933</b>	<b>-</b>	<b>14,580</b>
Transition to IFRS16	-	-	-	75,901	75,901
<b>Restated balance at 1 January 2019</b>	<b>7,714</b>	<b>1,933</b>	<b>4,933</b>	<b>75,901</b>	<b>90,481</b>
Business combinations, incoming entities	345	461	1,591	5,966	8,363
Additions	1,858	384	2,336	25,277	29,855
Disposals/Remeasurement recognised in the Statement of profit or loss	(17)	(2)	-	(430)	(499)
Depreciation of the period	(2,432)	(653)	(2,458)	(16,834)	(22,427)
Effect of movements in exchange rates	120	7	(31)	1,851	1,947
<b>Movements in 2019</b>	<b>(126)</b>	<b>197</b>	<b>1,438</b>	<b>15,730</b>	<b>17,239</b>
Cost	16,078	6,346	17,620	108,493	148,542
Accumulated depreciation and impairment losses	(6,490)	(4,216)	(11,249)	(16,874)	(40,829)
<b>Balance at 31 December 2019</b>	<b>7,588</b>	<b>2,130</b>	<b>6,371</b>	<b>91,624</b>	<b>107,713</b>

No interest costs have been capitalised in property, plant and equipment during the period under review.

## 16. Intangible assets and goodwill

### Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, see Note 14.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

### Intangible assets acquired separately

Intangible assets that are acquired separately by the Group and have finite useful lives are measured at cost less

accumulated amortisation and accumulated impairment losses. The Group does not have intangible assets with indefinite useful lives.

Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date that they are available for use. The amortisation expense is recognised in the consolidated statement of profit and loss in the "Amortisation of acquisition-related intangible assets" caption. The estimated useful lives are as follows:

- Other intangible assets 1 to 5 years;
- Acquisition related software 5 years;
- Brand name 20 years;
- Customer relationships 8 to 17 years.

Amortisation methods, estimated useful lives and residual value, are reviewed at each reporting date and adjusted if appropriate, with the effect of any changes in estimate being accounted for on a prospective basis.

### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The movements of the intangible assets and goodwill are as follows:

(EUR 000)	Goodwill	Brand name	Customer relationships	Acquisition related software	Other intangible assets	Total
Cost	948,521	33,135	642,892	-	37,136	1,661,684
Accumulated depreciation and impairment losses	-	(7,869)	(142,491)	-	(22,287)	(172,647)
<b>Balance at 1 January 2018</b>	<b>948,521</b>	<b>25,266</b>	<b>500,401</b>	<b>-</b>	<b>14,849</b>	<b>1,489,037</b>
Business combinations, incoming entities	225	-	5,076	-	-	5,301
Additions	-	-	-	-	6,325	6,325
Amortisation of the period	-	(1,665)	(39,644)	-	(5,871)	(47,180)
Effect of movements in exchange rates	8,828	312	4,516	-	(14)	13,642
<b>Movements in 2018</b>	<b>9,053</b>	<b>(1,353)</b>	<b>(30,052)</b>	<b>-</b>	<b>440</b>	<b>(21,912)</b>
Cost	957,574	33,562	654,455	-	43,547	1,689,138
Accumulated depreciation and impairment losses	-	(9,649)	(184,106)	-	(28,258)	(222,013)
<b>Balance at 31 December 2018</b>	<b>957,574</b>	<b>23,913</b>	<b>470,349</b>	<b>-</b>	<b>15,289</b>	<b>1,467,125</b>
Business combinations, incoming entities	222,456	-	62,878	14,689	661	300,684
Additions	-	-	-	-	7,770	7,770
Amortisation of the period	-	(1,695)	(42,800)	(1,580)	(6,164)	(52,239)
Effect of movements in exchange rates	15,205	272	7,744	6	(2)	23,225
<b>Movements in 2019</b>	<b>237,661</b>	<b>(1,423)</b>	<b>27,822</b>	<b>13,115</b>	<b>2,265</b>	<b>279,440</b>
Cost	1,195,235	33,949	727,351	14,689	52,023	2,023,247
Accumulated depreciation and impairment losses	-	(11,459)	(229,180)	(1,574)	(34,469)	(276,682)
<b>Balance at 31 December 2019</b>	<b>1,195,235</b>	<b>22,490</b>	<b>498,171</b>	<b>13,115</b>	<b>17,554</b>	<b>1,746,565</b>

During the year, the Group invested in other intangible assets for an amount of EUR 7,770 thousand (2018: EUR 6,325 thousand).

At 31 December 2019 an amount of EUR 432 thousand (2018: EUR 62 thousand) remains payable on the balance sheet.

For the newly acquired intangibles, please see Note 14.1.

The brand name "Intertrust" is a registered trade name for all countries in which the Company has operational activities or will expand in the near future. The remaining useful life on average is 13 years as at 31 December 2019.

The customer relationship is the Company's client portfolio acquired and has an average remaining useful life of 11 years as at 31 December 2019.

## 16.1. Impairment testing for cash-generating units containing goodwill

### Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than work in progress, current and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired in a business combination is allocated to

groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions. That is not the same as our reportable segments disclosed under Note 5. In some cases the Group identified its cash-generating units for goodwill at one level below that of a reportable operating segment. Cash flows at this level are substantially independent from the other cash flows and this is the lowest level at which goodwill is monitored by the Executive Committee.

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

(EUR 000)	Balance at 01 January 2019	Business combinations	Movements exchange rates	Balance at 31 December 2019
CGU Netherlands	268,788	39,126	-	307,914
CGU Luxembourg	137,211	28,602	-	165,813
CGU Americas excluding Viteos	233,032	13,495	4,482	251,009
CGU Jersey	175,547	19,883	9,023	204,453
CGU Viteos	-	90,497	-	90,497
CGU Rest of the world excluding Jersey	142,996	30,853	1,700	175,549
<b>Total</b>	<b>957,574</b>	<b>222,456</b>	<b>15,205</b>	<b>1,195,235</b>

(EUR 000)	Balance at 01 January 2018	Business combinations	Movements exchange rates	Balance at 31 December 2018
CGU Netherlands	268,788	-	-	268,788
CGU Luxembourg	137,211	-	-	137,211
CGU Americas <sup>1</sup>	222,486	-	10,546	233,032
CGU Jersey	176,991	-	(1,444)	175,547
CGU Rest of the world excluding Jersey	143,045	225	(274)	142,996
<b>Total</b>	<b>948,521</b>	<b>225</b>	<b>8,828</b>	<b>957,574</b>

<sup>1</sup> Although the new segmentation was introduced in Q1 2018, all CGU Cayman related goodwill was transferred to CGU Americas without any further reclassification from CGU Rest of the world.

The recoverable amount of goodwill has been determined for the six cash generating units as at 31 December 2019 and for the five cash generating units as at 31 December 2018. For each of the CGUs, the recoverable amount is individually and collectively higher than its carrying amount.

### Key assumptions used in discounted cash flow projection calculations

The recoverable amount of all CGUs has been determined based on a value-in-use calculation using cash flow projections excluding Viteos where Fair value less cost of disposal ("FVLCD") model was used. The year 1 cash flow projections are based on detailed financial budget, the year 2 to 3 on detailed outlook and the years 4 to 5 on estimates, prepared by management for each cash generating unit based on expectation of future outcomes taking into account past experience. The revenue growth rate assumed beyond the initial 5-year period is between 0.2%–1.4% (2018: 2.0%), that has been based on the expected long term inflation rate.

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

- Market growth: between 1.5% to 6%;
- Annual Margin Evolution: Improvement 0.0%–0.6%.

Other key assumptions used in the calculations are:

- Terminal value growth rate between 0.2%–1.4%;
- Discount rate: between 6.42% to 7.85% (2018: 7.07% to 8.30%).

### Discount rate

Discount rates represent a post-tax measure that reflect management's estimate of the time value of money and the risks specific to each unit that are not already reflected in the cash flows. In determining appropriate discount rates for each unit, regard has been given to the industry average weighted average cost of capital. The WACC takes into account both debt, lease and equity since the implementation of IFRS16 from 1 January 2019. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is determined by adding a debt risk premium to the risk free bonds rate with a maturity of 20 years. CGU-specific risk is incorporated by applying industry beta factors that are evaluated annually based on publicly available market data. The cost of lease liabilities is determined with reference to the median credit rating of the peers of Intertrust N.V. adjusted by a one notch up, given that leases are backed by collateral and therefore should reflect an estimated credit rating on secured debt, in line with the methodology used to calculate the IBRs for the Group's leases.

### Sensitivity to changes in assumptions

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs.

## 17. Depreciation and amortisation

(EUR 000)	Note	2019	2018
Amortisation of acquisition-related intangible assets	16	(46,075)	(41,309)
Amortisation of other intangible assets	16	(6,164)	(5,871)
Depreciation of property, plant and equipment	15	(22,427)	(5,225)
<b>Depreciation and amortisation</b>		<b>(74,666)</b>	<b>(52,405)</b>

## 18. Investment in equity-accounted investees

The Group's interests in equity-accounted investee comprise only interest in one associate.

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investment in an associate is accounted for using the equity method. It is recognised initially at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

The Group's share of profit in its equity-accounted investees for the year 2019 was a gain of EUR 44 thousand (2018: gain of EUR 78 thousand). In 2019 the associate declared dividend of EUR 130 thousand and cash of EUR 130 thousand was collected relating to 2018 declaration (2018: EUR 125 thousand, cash of EUR 75 thousand in 2018 relating to dividend declared for 2017).

The Group's equity-accounted investee is not publicly listed and consequently does not have published price quotations. As the equity-accounted investee is not material to the Group, no further information is provided other than the details below.

The Group has no commitment in providing additional financing to any of its associates. The (estimated) full year revenue and net profits of the associate and its assets and liabilities are as follows:

(EUR 000)	Balance at 31 December 2019	Balance at 31 December 2018
	Structured Finance Management	Structured Finance Management
	Italia SRL <sup>1</sup>	Italia SRL <sup>2</sup>
Country of incorporation	Italy	Italy
Percentage ownership interest	50%	50%
Current assets	718	1,065
<b>Total assets</b>	<b>718</b>	<b>1,065</b>
Current liabilities	406	767
<b>Total liabilities</b>	<b>406</b>	<b>767</b>
<b>Net assets (100%)</b>	<b>312</b>	<b>298</b>
<b>Group's share of net assets</b>	<b>156</b>	<b>149</b>
Revenues	594	572
Expenses	(306)	(416)
<b>Profit / (loss) (100%)</b>	<b>88</b>	<b>156</b>
<b>Group's share of profit</b>	<b>44</b>	<b>78</b>

<sup>1</sup> This associate has a 31 December year-end. Data for calculating the result of associate, based on the equity method, is obtained from January through to December. The summarised financial information presented above is based on managements estimates for the year ended 31 December 2019.

<sup>2</sup> Data for calculating the result of associate, based on the equity method, is obtained from January through to December. The summarised financial information presented above is based on financial statements for the year ended 30 September 2018.

## Section 5

# Financing, financial risk management and financial instruments

This section includes notes related to financing items such as equity and borrowings as well as financial risk management and financial instruments. Related items such as earnings per share calculation as well as financial income and expenses, are included in this section.



Dividend per share

0.63

EUR

Net debt

915.9

in EUR million (excluding  
IFRS16)

Leverage ratio

3.96



## 19. Cash and cash equivalents

Cash and cash equivalents comprise cash balances in bank accounts, cash on hand and cash in short-term deposits with maturities of three months or less.

(EUR 000)	31.12.2019	31.12.2018
Bank balances	120,253	127,759
Short term deposits	775	26
Cash on hand	16	18
<b>Total</b>	<b>121,044</b>	<b>127,803</b>
Of which:		
Cash attributable to the Company	110,218	105,505
Cash held on behalf of clients	10,826	22,298
<b>Total</b>	<b>121,044</b>	<b>127,803</b>

Bank balances includes cash in current and call accounts and exclude a cash pool balance of EUR 38,062 thousand classified under Loans and borrowings. See Note 20. The net of cash attributable to the Company and the cash pool balance amounted to EUR 72,156 thousand as at 31 December 2019.

Cash held on behalf of clients is driven by funds to pay government fees on their behalf, intellectual property activity and other advances with its corresponding liabilities in "Other payables – liabilities for cash held on behalf of clients".

## 20. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk refer to Note 23.3.

For more information about the embedded derivative, the early-repayment option relating to our senior notes, please refer to Note 21.1.

The Group has fully refinanced its debt under the 2015 and 2016 Senior Facilities Agreements in November 2018 by the issuance of EUR 500 million senior notes (maturing in November 2025), a USD 200 million term loan, a GBP 100 million term loan and a EUR 150 million undrawn Revolving Credit Facility (all maturing in November 2023).

In 2019 due to the acquisitions, the Group entered into a new agreement of USD 150 million term loan (maturing in June 2022, Facility A3) and drawn down USD 99 million from the existing Revolving Credit Facility entered in 2018 of which USD 65 million was outstanding per the end of the year.

The financing arrangements are on an unsecured basis.

### 20.1. Terms and debt movement schedule

Terms and conditions of outstanding loans were as follows:

(EUR 000)						
Debt arrangement	Currency	Year of maturity	Initial interest rate	Repayment	31.12.2019	31.12.2018
<b>Principal value</b>						
Senior Notes	EUR	2025	3.375%	Bullet	500,000	500,000
Facility A1	USD	2023	Libor + 2.25%	a) Bullet	178,031	174,672
Facility A2	GBP	2023	Libor + 2.25%	a) Bullet	117,536	111,791
Facility A3	USD	2022	Libor + 1.9%	a) Bullet	133,523	-
Revolving credit facility	Multicurrency	2023	Libor + 1.85% + Utilisation Fee	a) Revolving	57,860	-
Negative balances in Cashpool	Multicurrency				38,062	-
					<b>1,025,012</b>	<b>786,463</b>
<b>Financing costs</b>					(9,057)	(10,185)
<b>Early redemption valuation adjustment</b>					1,082	1,082
<b>Total debt</b>					<b>1,017,037</b>	<b>777,360</b>
<b>Total current</b>					<b>98,691</b>	<b>2,433</b>
<b>Total non-current</b>					<b>918,346</b>	<b>774,927</b>

(a) If the Libor rates are below 0%, the rate is 0%. The margin can change depending on leverage ratio.

The schedule below shows the movements of the bank facilities during the period:

(EUR 000)

Balance at 01 January 2018	Principal value	776,830
Draw down facilities		789,802
Repayments		(782,906)
Effect of exchange rate		2,737
Balance at 31 December 2018	Principal value	786,463
Balance at 01 January 2018	Financing costs	(6,088)
Capitalised financing costs		(13,104)
Amortised financing costs		6,949
Effect of exchange rate		(9)
Accrued Interest and commitment fees		2,067
Balance at 31 December 2018	Financing costs	(10,185)
Balance at 01 January 2018	Early redemption valuation adjustment	-
Valuation adjustment <sup>1</sup>		1,082
Balance at 31 December 2018	Early redemption valuation adjustment	1,082
Balance at 31 December 2018	Net	777,360
Balance at 01 January 2019	Principal value	786,463
Draw down facilities		259,556
Repayments		(30,471) <sup>2</sup>
Effect of exchange rate		9,464
Balance at 31 December 2019	Principal value	1,025,012
Balance at 01 January 2019	Financing costs	(10,185)
Capitalised financing costs		(1,767)
Amortised financing costs		2,558
Effect of exchange rate		(19)
Accrued Interest and commitment fees		356
Balance at 31 December 2019	Financing costs	(9,057)
Balance at 01 January 2019	Early redemption valuation adjustment	1,082
Valuation adjustment <sup>1</sup>		-
Balance at 31 December 2019	Early redemption valuation adjustment	1,082
Balance at 31 December 2019	Net	1,017,037

<sup>1</sup> The early redemption option was at initial recognition recognised on fair value and subsequently measured at amortised cost. At inception, the adjustment was made and parallel we recognised a financial other asset (option) which was subsequently valued on FVTPL.

<sup>2</sup> This repayment is included in the "Repayment of loans and borrowings banks" line in the Consolidated statement of cash flows.

On 7 November 2018, the Company and Intertrust Group B.V. signed the 2018 Senior Facilities Agreement between, among others, Intertrust Group B.V. as original borrower, the Company as parent and original guarantor, ABN AMRO Bank N.V., Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, HSBC Bank plc, ING Bank N.V., Mizuho Bank Ltd, MUFG Bank (Europe) N.V., National Westminster Bank plc, Sumitomo Mitsui

Banking Corporation, AIB Group (UK) plc and BAWAG PSK Bank as arrangers, the financial institutions named therein as original lenders and Deutsche Bank Luxembourg S.A. as agent.

In 2019 due to the acquisitions, the Group entered into a new agreement of USD 150 million term loan (maturing in June 2022, Facility A3) and has drawn down USD 99 million from the

existing Revolving Credit Facility of which USD 65 million was outstanding per the end of the year.

Under the facilities agreement there is a requirement to ensure that the leverage ratio in respect of any relevant period on or after 31 December 2018 shall not exceed 4.50. For the year ended 31 December 2019 the covenant was met with a headroom of 11.9% (3.96) (2018: 25.0%). Taking into account the possibility to make use of the "acquisition spike" the covenant headroom would amount to 20.7%.

The 2018 Senior Facilities Agreement is guaranteed by the Company, Intertrust Group BV, Intertrust (Netherlands) B.V., Intertrust Administrative Services B.V., Intertrust Management B.V., Intertrust Corporate Services (Cayman) Limited, Intertrust SPV (Cayman) Limited, Intertrust Fiduciary Services (Jersey) Limited and Intertrust International Management Limited.

The 2018 Senior Facilities Agreement includes certain restrictions on, among other things, our ability to pay dividends and make other restricted payments (such as payments in relation to share buybacks). The table below indicates the restrictions to dividends and share buybacks:

Pro forma leverage	Maximum annual dividend / share buyback
> 4.50x	5.00% of Market Capitalisation
3.50x – 4.50x	7.50% of Market Capitalisation
< 3.50x	Unrestricted

## 21. Other financial assets and other financial liabilities

### Financial instruments

#### Classification and measurement

The Group has applied IFRS9 as of 1 January 2018.

#### Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other

financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial asset that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### Financial assets on amortised cost

Loans and receivables are financial assets measured on amortised cost with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses if applicable. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss if any. Any gain or loss on derecognition is recognised in profit or loss.

#### FVOCI financial assets

FVOCI financial assets are non-derivative financial assets that are held for trading, or are not classified in any of the above categories of financial assets. FVOCI financial assets are recognised initially at fair value plus any directly attributable transaction costs.

These assets are subsequently measured at fair value.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss if equity instruments or reclassified to profit or loss in case of debt instruments.

When investments in equity instruments do not have a quoted market price in an active market and its fair value cannot be reliably measured, they are measured at cost. FVOCI financial assets comprise equity shares.

## Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and not gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings and trade and other payables.

## Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

## Derivative financial instruments (assets and liabilities), including hedge accounting and early redemption option

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Other than the hedges, when the Group issued senior notes with an early redemption option, the initial value of the option is accounted for and a

new derivative financial asset is recognised at fair value. The asset is defined as embedded derivative of the senior notes.

Subsequently the financial liability is amortised through profit and loss as a financial cost adjustment. The financial asset is measured subsequently as FVTPL. Derivatives are initially recognised at fair value. Any directly attributable transaction costs are recognised in profit or loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value and the accounting for the changes therein depend on whether the derivative is designated as a hedging instrument or not.

The Group applies the following with regard to the embedded derivatives in the hybrid contract (e.g. early redemption option relating to the senior notes). Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the following criteria are met:

- the economic characteristics and risk of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss.

If an embedded derivative is separated from the hybrid contract, the host contract is accounted for in accordance with the determined policies for such a contract. The embedded derivative is accounted for in accordance with the Group's principles for the applicable derivatives.

## Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecasted

transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

### Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

### Financial liabilities at amortised cost

The lease liabilities are financial liabilities measured at amortised cost. They are 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.

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.

### Impairment

#### Non-derivative financial assets

Financial assets not classified at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset

is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

#### Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss.

#### FVOCI financial assets

Impairment losses on FVOCI financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is

reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment losses attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired FVOCI debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired FVOCI equity security is recognised to decrease, the decrease in impairment loss is reversed through profit or loss.

## 21.1. Other financial assets

(EUR 000)	31.12.2019	31.12.2018
<b>Financial instruments at FVTPL</b>		
Early redemption option	23,523	817
<b>Total financial instruments at FVTPL</b>	<b>23,523</b>	<b>817</b>
<b>Financial instruments at FVOCI</b>		
Unquoted equity shares	295	334
<b>Total financial instruments at FVOCI</b>	<b>295</b>	<b>334</b>
<b>Financial assets at amortised cost</b>		
Lease assets	16,427	-
Loans and receivables	174	138
Bank guarantees	695	319
Guarantee deposits	4,227	1,317
<b>Total financial assets at amortised cost</b>	<b>21,523</b>	<b>1,774</b>
<b>Total other financial assets</b>	<b>45,341</b>	<b>2,925</b>
<b>Total current</b>	<b>2,453</b>	<b>521</b>
<b>Total non-current</b>	<b>42,888</b>	<b>2,404</b>

### Cash flow hedges

See details in other financial liabilities.

### Financial instruments at fair value through Income Statement

On 14 November 2018 the Group issued senior notes which contains an early redemption option. The option is fair valued through the profit or loss. Initially recognised at the value of EUR 1,082 thousand in November 2018. The fair value gain adjustment was recognised as a profit amounting to

EUR 22,706 thousand (2018: EUR 265 thousand). See further details on refinancing in Note 20. The significant increase in the value is caused by the reduction of long term interest rates and credit risk margins in the market. The bond is trading around 105 which has significantly increased the value of the call option.

The Group entered into currency forward contracts in USD. The forwards are fair valued through the statement of profit or loss with an impact of a loss of EUR 8 thousand.

### Subleases

Subleases are disclosed under current and non-current financial assets. The Group recognised those subleases under the IFRS16 transition as at 1 January 2019. For more details, please see Note 15.

An amount of EUR 1,463 thousand relating to our lease assets is included in the statement of cash flows in financing activity (Change in financial lease liability/asset due to IFRS16) offsetting the lease liability payments.

### Guarantee deposits

Includes guarantee deposits mainly for rent and utility contracts held in banks or non-financial institutions. These funds are restricted.

### Unquoted equity shares

Valued at FVTPL and includes participations in non-consolidated companies and special purpose companies for EUR 64 thousand (2018: EUR 66 thousand), shelf companies for EUR 232 thousand (2018: EUR 266 thousand), deposits for EUR 1,265 thousand (2018: EUR 148 thousand) and the new financial lease assets as of 1 January 2019 amounting to EUR 815 thousand as at 31 December 2019.

None of the "Other financial assets" are past due or impaired.

## 21.2. Other financial liabilities

(EUR 000)	31.12.2019	31.12.2018
<b>Fair value – Hedging instruments</b>		
Interest rate swaps – cash flow hedge		
liabilities	4,977	1,248
<b>Total fair value – hedging instruments</b>	<b>4,977</b>	<b>1,248</b>
<b>Financial liabilities at FVTPL</b>		
Forwards	8	–
<b>Total financial liabilities at fair value</b>	<b>8</b>	<b>–</b>
<b>Financial liabilities at amortised cost</b>		
Lease liability	105,648	–
Other financial liabilities	2,981	3,971
<b>Total financial liabilities at amortised cost</b>	<b>108,619</b>	<b>3,971</b>
<b>Total other financial liabilities</b>	<b>113,604</b>	<b>5,219</b>
<b>Total current</b>	<b>19,295</b>	<b>1,555</b>
<b>Total non-current</b>	<b>94,309</b>	<b>3,664</b>

### Significant estimates

The adoption of IFRS16 brings additional areas that require use of judgement and estimates that are significant to the 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.

Another significant estimate is the weighted average lessee's incremental borrowing rate ("IBR") applied to the lease liabilities which derives also the value of the right-of-use assets. The IBR was as at 1 January 2019 3.67% (31 December 2019: 3.56%). On a lessor perspective in our subleases where the Group recognised transitioned assets, the IBR was as at 1 January 2019 4% (31 December 2019: 4%).

### Cash flow hedges

Includes interest rate swaps to cover part of the fluctuations on the floating interest on the USD and GBP debt. Cash flow hedges relating to the previous financing (EUR, GBP and USD debt) were settled in 2018 and the Group entered into new cash flow hedges in 2018 for the floating rate debt denominated in USD and GBP. Those hedges are still in place as

at 31 December 2019. See further details on refinancing in Note 20.

The USD and GBP hedges were assessed to be effective at inception and throughout our reporting periods in 2019 and as at 31 December 2019. Balance sheet position recognised as liabilities amounts to EUR 4,977 thousand (2018: EUR 1,248 thousand).

### Lease liabilities

The Group adopted the new lease standard, and recognised new financial lease liabilities. See details about the adoption under Note 3.1. The impact on the opening balance sheet is analysed under Note 15.

### Other financial liabilities

Other financial liabilities contains deferred earn-out estimate on the acquisition of Seed in 2018 and 2019 described in Note 14.

## 22. Financial results

### Finance income and finance costs

Finance income comprises interest income on loans, leases and receivables, fair value gains on financial assets at fair value through profit or loss and gains on the remeasurement to fair value of any pre-existing interest in an acquiree. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on loans, leases, receivables and borrowings, unwinding of the discount on provisions and contingent consideration, fair value losses on financial assets at fair value through profit and loss, impairment losses on financial assets (other than trade receivables), gains and losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income.

Transaction costs that are directly attributable to the acquisition or issuance of a financial instrument are capitalised to the associate instrument and amortised to the profit or loss over the contractual term using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or loss position.

Hedge ineffectiveness is recognised in profit or loss within the financial income or financial costs.

The early redemption option was at initial recognition recognised at fair value and subsequently measured at amortised cost. At inception, the adjustment was made and parallel we recognised a financial other asset (option) which was subsequently valued on FVTPL.

(EUR 000)	2019	2018
<b>Recognised in profit or loss</b>		
Net foreign exchange gain	233	65
Interest income on loans and receivables	1,462	-
Change in fair value of early repayment option	22,706	-
Other financial income	-	322
<b>Finance income</b>	<b>24,401</b>	<b>387</b>
Interest expense on financial liabilities measured at amortised cost	(39,976)	(31,761)
Change in fair value of financial liability	(1,250)	-
Net change in fair value of derivatives (ineffective cash flow hedge)	-	(581)
Change in fair value of early repayment option	-	(265)
Other financial expense	(899)	(714)
<b>Finance expense</b>	<b>(42,125)</b>	<b>(33,321)</b>
<b>Financial result</b>	<b>(17,724)</b>	<b>(32,934)</b>

Interest expense on financial liabilities measured at amortised cost includes interests on debt of EUR 33,549 thousand (2018: EUR 24,812 thousand). The increase is due to the higher debt level including the bond fair value of which the coupon is also accounted as interest expense. In 2018 due to the refinancing, the capitalised financing costs relating to the previous financing structure were recycled to the income statement and the new financing fees were capitalised and started their amortisation from inception. The amortisation of capitalised financing fees was EUR 2,558 thousand (2018: EUR 6,949 thousand). See further details on refinancing in Note 20.

## 23. Financial instruments

### 23.1. Financial risk management

#### Overview

The Group has exposure to the following main risks from its financial instruments: credit risk, liquidity risk and market risk (including currency risk and interest rate risk).

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and

processes for measuring and managing risk, and the Group's management of capital.

Further information about the risk management of the Group is included in the Compliance and Risk Management chapter of this Annual Report.

### 23.2. Credit risk

Credit risk is the risk that a counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily for trade receivables and cash at banks. Customer credit risk is managed by each of the Group entities subject to the Group's policy, procedures and control relating to customer credit risk management.

Outstanding customer receivables are monitored and followed up continuously. Specific provisions are made when there is objective evidence that the Group will not be able to collect the debts (indication that the debtor is experiencing significant financial difficulty or default, probability of bankruptcy, problems to contact the clients, disputes with a customer, etc.). Analysis is done on a case by case basis in line with policies.

The cash and cash equivalents and interest receivable are held mainly with banks which are rated "A-" or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd for long term credit rating.

#### Exposure to credit risk

The gross carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

(EUR 000)	Note	31.12.2019	31.12.2018
Cash and cash equivalents	19	121,044	127,803
Trade receivables	11	100,794	90,478
Work in progress	10	33,851	34,228
Other receivables	13	31,197	18,422
Other financial assets – loans and receivables	21	21,523	2,591
<b>Total</b>		<b>308,409</b>	<b>273,522</b>

The 'Other financial assets' of EUR 374 thousand (2018: EUR 363 thousand) related to the participations in non-controlling entities and shelf companies have not been included in this analysis.

The assets that are exposed to credit risk are held 9.0% by the Netherlands (2018: 13.1%), 15.2% by Luxembourg (2018: 14.8%), 23.5% by Americas (2018: 30.0%), and the remaining 52.3% (2018: 42.1%) by other jurisdictions.



Trade receivables are presented net of a provision for trade receivables.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). As a first step the credit risk is measured and analysed on a local level, analysis on recoverability is done on a case by case basis in line with policies and specific provisions are made as mentioned above. Evidence of historical experience demonstrates that debtors, in all ageing categories, have high recoverability ratios. As a second step, the ECL's applied on the remaining balance of trade receivables. The Group has applied the simplified approach to measure the expected credit loss and the lifetime expected loss allowance for trade receivables. ECLs are a probability-weighted estimate of credit losses.

The ageing of trade receivables and the provision for trade receivables at reporting date, including movement schedule for the provision for trade receivables, is included in Note 11.

With respect to the trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

The Group entities prepare their own cash flow forecasts and they are centrally consolidated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements, as well as the Group's actual cash and receivables position to ensure that it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowing facilities to ensure that the Group does not breach borrowing limits or covenants.

The Group entities keep the amounts required for working capital management and the excess cash is transferred to Group Finance who defines the best use of these funds (cancellation of loans, deposits, etc.).

Access to sourcing of funding is sufficiently available through the revolving credit facility agreement that the Group has with banks (Note 20).

### Exposure to Liquidity risk

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and net-settled derivative financial liabilities based on contractual undiscounted payments. This analysis includes estimated interest payments and does not consider voluntary prepayments of bank debt that could be possible following the agreements.

## 23.3. Liquidity risk

Liquidity risk includes the risk to a shortage of funds and the risk to encounter difficulty in meeting obligations associated with financial liabilities.

(EUR 000)		Balance at 31 December 2019				
	Carrying amounts	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Loans and borrowings	1,017,037	1,138,196	91,324	128,239	401,805	516,828
Lease liabilities	105,638	123,156	21,268	17,960	40,536	43,342
Trade payables and other payables	88,229	88,229	88,229	-	-	-
Interest rate swaps used for hedging	4,977	5,120	1,289	1,417	2,414	-
<b>Total</b>	<b>1,215,881</b>	<b>1,354,701</b>	<b>202,110</b>	<b>147,616</b>	<b>444,805</b>	<b>560,170</b>

(EUR 000)		Balance at 31 December 2018				
	Carrying amounts	Total	Due within 1 year	Due between 1 and 2 years	Due between 2 and 5 years	Due 5 years and more
Loans and borrowings	777,360	963,655	28,910	28,886	372,156	533,703
Trade payables and other payables	89,382	89,382	89,382	-	-	-
Interest rate swaps used for hedging	1,248	1,303	314	297	692	-
<b>Total</b>	<b>867,990</b>	<b>1,054,340</b>	<b>118,606</b>	<b>29,183</b>	<b>372,848</b>	<b>533,703</b>

The flows expected for interest rate swaps will affect profit and loss in the same period as they are expected to occur.

## 23.4. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### 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). 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 GBP and USD, the notes are denominated in EUR. 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.

At 31 December 2019, the face value of the USD designated loan refinanced in 2018 on the Group's investment in its Cayman subsidiary partially hedged was EUR 178,031 thousand (2018: EUR 174,672 thousand). The new loan obtained for the

Viteos acquisition is also an USD loan which is hedged in its US subsidiaries (31 December 2019: EUR 133,523 thousand) as well as the drawn down RCF USD facility (31 December 2019: EUR 57,860 thousand). The USD loans and the RCF are designated as a net investment hedge. No ineffectiveness was recognised from the net investment hedge.

Similarly to the Cayman investment and the USD denominated bank loans relation, the Company identified effective relations between the Jersey investment and its GBP denominated bank loans, therefore the loan is fully designated as a hedge relation which also mitigates a portion of the foreign currency translation risk arising from the subsidiary's net assets.

As at 31 December 2019, the face value of the GBP designated loan was EUR 117,535 thousand (2018: EUR 111,791 thousand).

The GBP loan is designated as a net investment hedge. No ineffectiveness was recognised from the net investment hedge.

The Group's investments in other subsidiaries are not hedged.

### Exposure to currency risk

The group has mainly currency exposure in USD and GBP, as presented below:

(EUR 000)	31.12.2019		31.12.2018	
	USD	GBP	USD	GBP
Cash and cash equivalents	6,064	245	11,810	1,524
Trade, other receivables and other financial assets	3,299	772	1,631	81
Loans and borrowings	(369,414)	(117,535)	(174,672)	(111,791)
Trade and other payables	(421)	(468)	(344)	(174)
<b>Net statement of financial position exposure</b>	<b>(360,472)</b>	<b>(116,986)</b>	<b>(161,575)</b>	<b>(110,360)</b>

The following significant exchange rates have been applied:

	Reporting date spot rate	Average rate
	31.12.2019	2019
USD	1.1234	1.1195
GBP	0.8508	0.8778
	Reporting date spot rate	Average rate
	31.12.2018	2018
USD	1.1450	1.1810
GBP	0.8945	0.8847

## Sensitivity analysis

(EUR 000)	2019		2019	
	Effect in profit or loss		Effect in Equity	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(4,070)	4,070	32,771	(32,771)
GBP (10% movement)	(3,722)	3,722	10,635	(10,635)

(EUR 000)	2018		2018	
	Effect in profit or loss		Effect in Equity	
	EUR Strengthening	EUR Weakening	EUR Strengthening	EUR Weakening
USD (10% movement)	(4,056)	4,056	9,413	(9,413)
GBP (10% movement)	(3,192)	3,192	7,469	(7,469)

A 10 percent strengthening of the USD and the GBP against all other currencies at 31 December 2019 would have affected the value of financial assets and liabilities denominated in foreign currency and affected equity and profit or loss by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

### Interest rate risk

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

### Exposure to interest rate risk

At the reporting date the interest rate profile of the interest bearing financial instrument was:

(EUR 000)	31.12.2019	31.12.2018
	Carrying amount	Carrying amount
<b>Fixed rate instruments</b>		
Financial liabilities	(500,000)	(500,000)
<b>Total fixed rate instruments</b>	<b>(500,000)</b>	<b>(500,000)</b>
<b>Variable rate instruments</b>		
Financial assets	52,543	55,488
Financial liabilities	(526,094)	(286,463)
Loans and borrowings hedged	147,784	143,232
<b>Total net unhedged variable rate instruments</b>	<b>(325,767)</b>	<b>(87,743)</b>

Financial assets mainly include cash in bank accounts with interest bearing rates.

In November 2018 the EUR denominated interest rate swaps were terminated as the hedged term loans were repaid. In December 2018 the GBP and USD denominated interest rate swaps were terminated and replaced by new GBP and

USD interest rate swaps, with maturity dates and interest payment dates linked to the new senior facilities agreement. The interest rate swaps cover 30% of the floating interest rates on the loans and borrowings. The senior notes have a fixed interest rate.

### Sensitivity analysis for variable rate instruments

An increase of 50 basis points in interest rates on loans and borrowings would have decreased the profit and loss before tax by EUR1,696 thousand (2018: EUR 716 thousand). A decrease of 50 basis points in interest rates on loans and borrowings would have increased the profit and loss before tax by EUR 1,696 thousand (2018: EUR 716 thousand increase). The sensitivity of interest to movements in interest rates is calculated on floating rate exposures on debt, net of interest rate swaps. This analysis assumes that all other variables remain constant.

## 23.5. Capital management

The capital structure of the Group consists of shares and share premium and bank borrowings. The objective of the Group's capital management is to ensure that it maintains healthy debt ratios in order to support its business and face obligations with lenders.

The Group's target is to reach a leverage ratio around 3.0x. This leverage ratio might be higher depending on potential acquisitions. The bank borrowings are subject to covenants that are tested bi-annually. For more information, see Note 20.

## 23.6. Fair values of financial instruments

### Level 1

The fair value of the senior notes is based on fair value from the stock exchange as at 31 December 2019 and reflects the credit risk of the instrument.

### Level 2

The fair values of the interest rate swaps and currency forwards are based on broker quotes and is calculated as the present value of the estimated future cash flows based on

observable yield curves. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate. The early redemption option is valued at initial recognition on fair value. The call option within the bond represents an embedded derivative that is separated from the host contract and accounted for as a derivative. Fair value is determined as callable bond value equal to the sum of the straight bond value and the call option value. Subsequently the option is valued FVTPL.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31.12.2019		Carrying amounts				Fair value	Fair value
(EUR 000)	Note	Fair value through profit and loss	Financial assets at amortised cost	Fair value – Hedging instruments	Other financial liabilities	Total	
							Level 1      Level 2
<b>Financial assets measured at fair value</b>							
Early redemption valuation							
adjustment	21	23,523	–	–	–	23,523	–      23,523
<b>Total</b>		<b>23,523</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>23,523</b>	<b>–      23,523</b>
<b>Financial assets not measured at fair value</b>							
Loans and receivables	21	–	5,096	–	–	5,096	–      –
Lease assets	21	–	16,427	–	–	16,427	–      –
Unquoted equity shares	21	–	295	–	–	295	–      –
Trade receivables	11	–	100,794	–	–	100,794	–      –
Other receivables	13	–	31,197	–	–	31,197	–      –
Cash and cash equivalents	19	–	121,044	–	–	121,044	–      –
<b>Total</b>		<b>–</b>	<b>274,853</b>	<b>–</b>	<b>–</b>	<b>274,853</b>	<b>–      –</b>
<b>Financial liabilities measured at fair value</b>							
Interest rate swaps – cash flow							
hedge	21	–	–	4,985	–	4,985	–      4,985
<b>Total</b>		<b>–</b>	<b>–</b>	<b>4,985</b>	<b>–</b>	<b>4,985</b>	<b>–      4,985</b>
<b>Financial liabilities not measured at fair value</b>							
Lease liabilities		–	105,638	–	–	105,638	–      –
Loans and borrowings	20	–	–	–	1,017,037	1,017,037	550,278      483,591
Trade payables		–	–	–	11,814	11,814	–      –
Other payables	13	–	–	–	76,415	76,415	–      –
<b>Total</b>		<b>–</b>	<b>105,638</b>	<b>–</b>	<b>1,105,266</b>	<b>1,210,904</b>	<b>550,278      483,591</b>

<sup>1</sup> Fair value impact on the Statement of Profit or Loss for the full year 2019 was EUR 22,706 thousand. For further details in the early redemption option valuation see Note 23.1.

31.12.2018			Carrying amounts			Fair value	Fair value	
(EUR 000)	Note	Fair value through profit and loss	Financial assets at amortised cost	Fair value – Hedging instruments	Other financial liabilities	Total	Level 1	Level 2
Financial assets measured at fair value								
Early redemption valuation								
adjustment	21	817	–	0	–	817	–	817
Total		817	–	–	–	817	–	817
Financial assets not measured at fair value								
Loans and receivables	21	–	1,774	–	–	1,774	–	–
Unquoted equity shares	21	–	334	–	–	334	–	–
Trade receivables	11	–	90,478	–	–	90,478	–	–
Other receivables	13	–	18,422	–	–	18,422	–	–
Cash and cash equivalents	19	–	127,803	–	–	127,803	–	–
Total		–	238,811	–	–	238,811	–	–
Financial liabilities measured at fair value								
Interest rate swaps – cash flow hedge	21	–	–	1,248	–	1,248	–	1,248
Total		–	–	1,248	–	1,248	–	1,248
Financial liabilities not measured at fair value								
Loans and borrowings	20	–	–	–	777,360	777,360	493,965	270,882
Trade payables		–	–	–	8,375	8,375	–	–
Other payables	13	–	–	–	81,007	81,007	–	–
Total		–	–	–	866,742	866,742	493,965	270,882

<sup>1</sup> For further details on the early redemption option valuation see Note 21.1.

There are level 1 and level 2 fair values. No transfers between levels were applicable in 2019 and 2018. The level 1 fair value at the end of 2019 and 2018 represent the market value of the senior notes.

## 24. Capital and reserves

### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

### Repurchase and reissue of ordinary shares (treasury shares)

When shares are repurchased, those are recognised as a debit to equity for the amount of the consideration paid,

which includes directly attributable costs and is net of any tax effects. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

### Dividends

Dividends are recognised as a liability in the period in which they are declared.

### 24.1. Share capital

The subscribed capital from 31 December 2018 (EUR 53,853 thousand) increased to EUR 54,190 thousand as at 31 December 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 14.1) the number of fully paid-up shares increased to 90,316,352. On 25 September 2018, the Group cancelled 2,244,190 shares. Nominal value per share of EUR 0.60 did not change since 31 December 2018.

The movements of the year were:

Ordinary shares	In number of shares		(EUR 000)	
	2019	2018	2019	2018
Issued ordinary shares at 01 January	89,755,202	91,999,392	53,853	55,200
Share cancellation	-	(2,244,190)	-	(1,347)
Share issue	561,150	-	337	-
Authorised shares at end of period – fully paid	90,316,352	89,755,202	54,190	53,853

### 24.2. Share premium

At 31 December 2019 the share premium amounts to EUR 630,441 thousand, unchanged compared to 31 December 2018. When the Group cancelled its own shares in 2018, the amount above the nominal value of the shares were accounted for in retained earnings, therefore there were no movements during 2019 in the share premium in EUR:

	In number of shares		(EUR 000)	
	2019	2018	2019	2018
Issued ordinary shares at 01 January	89,755,202	91,999,392	630,441	630,441
Share cancellation	-	(2,244,190)	-	-
Share issue	561,150	-	-	-
Authorised shares at end of period – fully paid	90,316,352	89,755,202	630,441	630,441

### 24.3. Retained earnings

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

The following dividends were declared and paid by the Company for the year:

(EUR 000)	2019	2018
Final dividend for 2017 of EUR 0.33 per qualifying ordinary share	-	29,401
Interim dividend for 2018 of EUR 0.30 per qualifying ordinary share	-	26,770
Final dividend for 2018 of EUR 0.32 per qualifying ordinary share	28,638	-
Interim dividend for 2019 of EUR 0.30 per qualifying ordinary share	27,016	-
<b>Total dividend declared and paid</b>	<b>55,654</b>	<b>56,171</b>

For 2019, a total dividend of EUR 0.63 per share (2018: EUR 0.62 per share) will be proposed at the Annual General Meeting. If approved, a final dividend of EUR 0.33 per share (2018: EUR 0.32 per share) will be paid on 5 June 2020, and an interim dividend of EUR 0.30 per share (2018: EUR 0.30 per share) was paid on 29 November 2019. The payment will be subject to 15% Dutch withholding tax.

After the reporting date, the above mentioned dividends were proposed by the Management Board. The dividends, taking into account the interim dividends declared and paid, have not been recognised as liabilities.

## 24.4. Reserves

### Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations (2019: EUR 22,319 thousand gain, 2018: EUR 14,858 thousand gain) and foreign currency differences arising on the revaluation of financial liabilities designated as a hedge of net investment, to the extent that the hedge is effective (2019: EUR 6,458 thousand loss, 2018: EUR 3,266 thousand loss).

### Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect profit or loss.

### Treasury share reserve

The treasury share reserve comprises the costs of the Company's shares held by the Group. At 31 December 2019, the Group held 260,846 of the Company's shares (2018: 523,354).

## 25. Non-controlling interests

### Non-controlling interests

Non-controlling interests are measured either at their proportionate share of the acquiree's identifiable net assets or at fair value at the acquisition date. The choice of measurement is made on an acquisition-by-acquisition basis.

The Group has at the end of 2019 compared to the end of 2018 the same ownership in LBL data services B.V. (ownership 50%) which is not material for the Company.

## Section 6

# Other disclosures

This section includes the notes on taxes, employee benefits, provisions, commitments and contingent liabilities, remunerations of members of the Management Board and the Supervisory Board, related party transactions and auditor's remuneration.



ETR

21.3%

Single largest shareholding

9.92%



## 26. Income tax expense

### Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

### Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are

reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

### 26.1. Income tax recognised in profit or loss

(EUR 000)	2019	2018
Current year	(27,800)	(21,304)
Prior years	1,565	(261)
<b>Current tax (expense)/gain</b>	<b>(26,235)</b>	<b>(21,565)</b>
Origination and reversal of temporary differences	2,456	2,908
Impact of enacted tax rate changes on deferred tax position	(1,336)	9,342
Deferred tax leases	150	-
Recognition of previously unrecognised tax losses	552	296
Change in recognised deductible temporary differences	(34)	611
<b>Deferred tax gain/(expense)</b>	<b>1,788</b>	<b>13,157</b>
<b>Income tax (expense)/gain for continuing operations</b>	<b>(24,447)</b>	<b>(8,408)</b>

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

In 2018, the positive impact of tax rate changes mainly impacted our deferred tax positions by EUR 9,342 thousand. For the same reason the Group recognised additional EUR 1,336 thousand deferred tax expense in 2019.

### 26.2. Tax recognised in other comprehensive income (OCI)

(EUR 000)	2019	2018
Cash flow hedges	(312)	132
Defined benefit plan actuarial gains (losses)	-	154
<b>Income tax expense recognised in OCI</b>	<b>(312)</b>	<b>286</b>

## 26.3. Reconciliation of effective tax rate

(EUR 000)		2019		2018
Profit for the year		90,342		89,391
Total income tax expense		(24,447)		(8,408)
<b>Profit before income tax</b>		<b>114,789</b>		<b>97,799</b>
Income tax using the Company's domestic tax rate	25.00%	(28,697)	25.00%	(24,450)
Effect of tax rates in foreign jurisdictions		7,910		8,958
Changes in income tax rates		(1,336)		9,342
Non deductible expenses		(4,314)		(3,143)
Tax exempt income		1,268		646
Change in recognised deductible temporary differences		(34)		611
Recognition of previously unrecognised tax losses		552		296
Current year losses for which no deferred tax has been recognised		(284)		(372)
(Under) over provided in previous years (current and deferred)		816		(261)
Others		(328)		(35)
<b>Effective income tax</b>	<b>21.3%</b>	<b>(24,447)</b>	<b>8.6%</b>	<b>(8,408)</b>

Our adjusted net income contains adjusting tax items for an amount of EUR 5,982 thousand benefit, mainly related to the effect of the bond option revaluation recognised in the Statement of Profit or Loss. See Note 27.3 for more details.

## 27. Deferred tax assets and liabilities

### 27.1. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses for EUR 12,393 thousand (2018: EUR 10,163 thousand). Tax losses for an amount of EUR 6,584 thousand (2018: EUR 5,333 thousand) will expire in the next 5 years and EUR 5,809 thousand (2018: EUR 4,830 thousand) do not expire. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group entities can utilise the benefits.

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## 27.2. Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

(EUR 000)	Balance at 31 December 2019		Balance at 31 December 2018	
	Deferred tax	Deferred tax	Deferred tax	Deferred tax
	assets	liabilities	assets	liabilities
Property, plant and equipment	1 101	-	192	-
Intangible assets	116	(82,017)	309	(64,595)
Loans and borrowings	-	(9,343)	-	(4,463)
Other non-current financial assets or liabilities	-	(190)	122	-
Employee benefit liabilities	1,496	-	-	-
Other items	532	-	332	(272)
Tax loss carry-forwards	3,584	-	1,204	-
<b>Total</b>	<b>6,829</b>	<b>(91,550)</b>	<b>2,159</b>	<b>(69,330)</b>

## 27.3. Movements in temporary differences during the period

(EUR 000)	Balance at 01 January 2019	Acquired in business combinations	Recognised in profit or loss	Recognised in OCI or retained earnings <sup>1</sup>	Effect of foreign exchange differences	Balance at 31 December 2019
	<b>Net</b>					<b>Net</b>
Property, plant and equipment	192	419	158	351	1	1,101
Intangible assets	(64,286)	(22,884)	5,745	-	(476)	(81,901)
Loans and borrowings	(4,463)	-	(4,380)	-	-	(9,343)
Other non-current financial assets or liabilities	122	-	-	(312)	-	(190)
Employee benefits liabilities	-	1,156	351	-	(11)	1,496
Other items	60	80	403	-	(11)	532
Tax loss carry-forwards	1,204	2,337	11	-	32	3 584
<b>Total</b>	<b>(67,171)</b>	<b>(18,892)</b>	<b>1,788</b>	<b>19</b>	<b>(465)</b>	<b>(84,721)</b>

(EUR 000)	Balance at 01 January 2018	Acquired in business combinations	Recognised in profit or loss	Recognised in OCI <sup>2</sup>	Effect of foreign exchange differences	Balance at 31 December 2018
	<b>Net</b>					<b>Net</b>
Property, plant and equipment	33	74	86	-	(1)	192
Intangible assets	(80,373)	-	15,967	-	120	(64,286)
Loans and borrowings	-	(1,392)	(3,071)	-	-	(4,463)
Other non-current financial assets or liabilities	87	-	(97)	132	-	122
Employee benefits liabilities	-	-	(154)	154	-	-
Other items	126	(378)	309	-	3	60
Tax loss carry-forwards	1,079	-	117	-	8	1,204
<b>Total</b>	<b>(79,048)</b>	<b>(1,696)</b>	<b>13,157</b>	<b>286</b>	<b>130</b>	<b>(67,171)</b>

<sup>1</sup> Other comprehensive income ("OCI") and Retained earnings due to the implementation of IFRS16.

<sup>2</sup> Other comprehensive income ("OCI")

In 2019 deferred tax expenses contain EUR 1,336 thousand (2018: EUR 9,342 thousand income) due to expected income tax rate changes in jurisdictions where our intangible assets relate to, where we amortise our capitalised financing fees and where we revalue our bond option, therefore this income is accounted as adjusting item and excluded from the adjusted net income.

## 28. Employee benefits

### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

To calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The Group determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/

(asset) during the period as a result of contributions and benefits payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

The Group sponsors defined benefit pension plans in Switzerland. In most other countries, employees are provided with benefits under defined contribution plans. All pension plans comply with local tax and legal restrictions in their respective country, including funding obligations.

The Swiss pension plan is managed by an independent, legally autonomous entity which has the legal structure of a foundation, according to Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP). All benefits in accordance with the regulations are reinsured in their entirety with an insurance company. The foundation provides benefits on a defined contribution basis. All employees are participants to the plan and are insured against the financial consequences of old age, disability and death. The insurance benefits are subject to regulations, with the LPP specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan at rates set out in the foundation rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital. The risk of disability, death and longevity are covered by the insurance company. The insurance company invests the vested pension capital and provides a 100% capital and interest guarantee. Even if actuarial and investment risks are covered by an insurance company, this plan is considered under IAS19R as a defined benefit plan because the employer remains exposed to contract termination risks.

The Group has also agreed to provide certain additional post-employment medical benefits to senior employees in Curacao. These benefits are unfunded and the contributions equal the insurance premiums paid.

As of the acquisition of Viteos, the Group accounts for the post-employment benefits in India. The Group operates a defined benefit final salary gratuity plan which is open to new entrants in India. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Group. There are no minimum funding requirements for a gratuity plan in India. The Group has chosen not to fund the gratuity liabilities of the plan but instead carry a provision based on actuarial valuation in its books of accounts. The only regulatory framework which applies to such plans is if the company in India is covered by the Payment of Gratuity Act, 1972 then the affiliate is bound to pay the statutory minimum gratuity as prescribed under this Act. The affiliate is responsible for the overall governance of the plan. Since the plan is

unfunded, the governance of the plan is limited to employees being paid gratuity as per the terms of the plan. The plan is of a final salary defined benefit in nature which is sponsored by the affiliate and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the affiliate that any adverse salary growth or demographic experience can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

The Group expects EUR 349 thousand in contributions to be paid to its defined benefit plans in 2020.

### 28.1. Amounts recognised in the consolidated statement of financial position

(EUR 000)	31.12.2019	31.12.2018
Net defined liability - Pension	2,456	784
Net defined liability - Med cal	119	145
<b>Total employee benefits liabilities</b>	<b>2,575</b>	<b>929</b>

### 28.2. Movement in the net defined benefit liability

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit liability and its components:

(EUR 000)	2019			2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Balance at 01 January	2,260	1,331	929	5,281	3,317	1,963
Included in profit or loss						
Current service cost	423	-	423	473	-	473
Past service cost	(379)	-	(379)	(470) <sup>1</sup>	-	(470)
Interest cost	57	-	57	43	-	43
Administration costs	19	-	19	22	-	22
Total	120	-	120	68	-	68
Included in OCI						
Remeasurements loss/(gain):						
- Actuarial loss/(gain) arising from:						
- financial assumptions	355	-	355	(125)	-	(125)
- experience adjustment	781	-	781	(743)	-	(743)
Return on plan assets excluding interest income	-	14	(14)	-	(24)	24
Effect of movements in exchange rates	82	72	10	26	26	1
Total	1,218	86	1,132	(842)	2	(843)
Other						
Business combination	755	-	755	-	-	-
Contributions paid by the plan participants	2,017	2,017	-	664	664	-
Contributions paid by the employer	-	348	(348)	-	355	(355)
Benefits paid	(1,564)	(1,551)	(13)	(2,911)	(3,007)	96
Total	1,208	814	394	(2,247)	(1,988)	(259)
Balance at 31 December	4,806	2,231	2,575	2,260	1,331	929

<sup>1</sup> Relating to restructuring in Switzerland.

## 28.3. Plan assets

The plan assets comprise:

(EUR 000)	31.12.2019	31.12.2018
Insurance contracts	2.228	1.328
Cash	3	3
<b>Total</b>	<b>2.231</b>	<b>1.331</b>

None of the plan assets are quoted on an active market.

## 28.4. Actuarial assumptions

The principal assumptions used in determining pension and post-employment medical benefit obligations at the reporting date are:

	31.12.2019		
	Switzerland	India	Curaçao
Discount rate 31 December	0.20%	7.05%	5.00%
Future salary increases	1.00%	7.00%	-
Medical cost trend rate	-	-	2.00%

	31.12.2018		
	Switzerland	India	Curaçao
Discount rate 31 December	1.00%	n.a.	5.00%
Future salary increases	1.00%	n.a.	-
Medical cost trend rate	-	n.a.	2.00%

Longevity is reflected in the defined benefit obligation by using mortality tables of the respective countries in which the plans are located and only applicable in Switzerland.

Expressed in years

	31.12.2019
Longevity at age 65 for current pensioners	
- Males	22.6
- Females	24.7
Longevity at age 65 for current members aged 45	
- Males	24.3
- Females	26.3

Expressed in years

	31.12.2018
Longevity at age 65 for current pensioners	
- Males	22.4
- Females	25.4
Longevity at age 65 for current members aged 45	
- Males	23.9
- Females	26.9

The weighted-average duration of the defined benefit obligation was as follows:

Expressed in years	31.12.2019	31.12.2018
Group	12.8	20.2

## 28.5. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions consistent, would have affected the defined benefit obligation by the amounts shown below:

(EUR 000)	Increase	Decrease
<b>2019</b>		
Impact of 1% change in the discount rate	2,882	4,128
Impact of 1% change in the future salary increases	3,567	3,273
Impact of 1% change in the future pension increases	2,799	-
Impact of 1% change in the medical cost trend rate	-	-
Impact of 1 year change in the life expectancy	2,619	2,534
<b>2018</b>		
Impact of 1% change in the discount rate	(231)	529
Impact of 1% change in the future salary increases	(38)	(137)
Impact of 1% change in the future pension increases	77	-
Impact of 1% change in the medical cost trend rate	-	-
Impact of 1 year change in the life expectancy	(58)	(122)

Although the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefit obligations at period-end.

## 29. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the impact of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### Legal matters

A provision is recognised to cover the costs for legal proceedings or legal requirements, in those cases where a probable outflow of cash is identified.

### Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

### Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognises any impairment loss on the assets associated with the contract. For IFRS16 transition related onerous rental contracts, please see policy in Note 15.

(EUR 000)	Legal matters	Restructuring	Onerous contracts	Others	Total
Balance at 01 January 2018	427	36	188	425	1,076
Provisions made during the period	74	8,535	395	554	9,558
Provisions used during the period	(333)	(4,348)	(302)	-	(4,983)
Provisions reversed during the period	(126)	(705)	-	-	(831)
Effect of movements in exchange rates	-	17	7	(20)	4
Balance at 31 December 2018	42	3,535	288	959	4,824
Current	39	3,535	229	322	4,125
Non-current	3	-	59	637	699
Balance at 31 December 2018	42	3,535	288	959	4,824
Balance at 01 January 2019	42	3,535	288	959	4,824
Provisions made during the period	150	2,797	-	236	3,183
Provisions used during the period	(39)	(3,814)	-	-	(3,853)
Provisions reversed during the period	(3)	(1,865)	(26)	-	(1,894)
Impact of IFRS16	-	-	(262)	-	(262)
Effect of movements in exchange rates	5	38	-	20	63
Balance at 31 December 2019	155	691	-	1,215	2,061
Current	155	691	-	255	1,101
Non-current	-	-	-	960	960
Balance at 31 December 2019	155	691	-	1,215	2,061

### Provision for legal matters

Provisions for legal matters have been recognised to cover costs related to claims filed against the Company.

### Provision for restructuring

Provisions for restructuring have been recognised due to a headcount alignment program in 2018. In 2019 the provisions

concern transformation programs mainly related to staff restructuring.

### Provision for onerous contracts

Provisions for onerous contracts that have been recognised for operating leases are no longer material for the Group since the implementation of IFRS16 as at 1 January 2019.



## 30. Operating leases

The Group principally enters into operating leases for the rental of equipment and buildings. Payments done under such leases are typically charged to profit or loss on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be done to the lessor by way of penalty is recognised as an expense in the period in which termination takes place. Any incentives received from the lessor in relation to operating leases are recognised as a reduction of rental expense over the lease term on a straight line basis. From 1 January 2019, the group has recognised right-of-use assets for these leases, except for short term and low-value leases, see Note 3 and Note 15 for further information. This change had impact on both as a lessee and a lessor positions of the Group.

### 30.1. Leases as lessee

The Group has entered into commercial leases on certain motor vehicles and office equipment. These leases have an average life of between less than 1 year and 5 years with no renewal option included in the contracts.

The Group has entered into leases for rental agreements in different countries. The leases run for a period between less than 1 year and 15 years. The ones qualified for transitioning per IFRS16 as at 1 January 2019 are no longer reported under this chapter. Reconciliation to those reported as at 31 December 2019 is detailed in Note 15.

There are no restrictions placed upon the Group by entering into these leases.

Future minimum rental payable under non-cancellable leases as at 31 December are as follows:

(EUR 000)	31.12.2019	Not later than one year	Between one and five years	Later than five years
Leased machinery and equipment	834	228	606	-
Leased real estate	28,737	2,910	11,696	14,131
<b>Total</b>	<b>29,571</b>	<b>3,138</b>	<b>12,302</b>	<b>14,131</b>
	31.12.2018	Not later than one year	Between one and five years	Later than five years
Leased machinery and equipment	2,547	1,105	1,255	187
Leased real estate	61,174	17,421	34,760	8,993
<b>Total</b>	<b>63,721</b>	<b>18,526</b>	<b>36,015</b>	<b>9,180</b>

During the period an amount of EUR 4,042 thousand was recognised as expense which is significantly lower than in 2018 (EUR 20,451 thousand) due to the transitioned contract accounting in 2019 changed as per the modified retrospective approach applied as per 1 January 2019 with the application of the new IFRS16 standard. See Note 3.1. for more details. These costs were recognised as an expense in profit or loss in respect of operating leases, the ones that were capitalised had an impact through depreciation and interest. Total rental expenses reported in statement of profit or loss includes utilities, maintenance and repair expenses. Other than these, also the not transitioned leases in line with our accounting policies are reported as rental expenses.

### 30.2. Leases as lessors

Some affiliates have entered into sublease contracts of office space.

Future minimum rental receivables under non-cancellable operating leases as at 31 December are as follows:

(EUR 000)	31.12.2019	Not later than one year	Between one and five years	Later than five years
Leased real estate	2,262	1,203	1,059	-
<b>Total</b>	<b>2,262</b>	<b>1,203</b>	<b>1,059</b>	<b>-</b>

	31.12.2018	Not later than one year	Between one and five years	Later than five years
Leased real estate	12,222	2,856	6,440	2,927
<b>Total</b>	<b>12,222</b>	<b>2,856</b>	<b>6,440</b>	<b>2,927</b>

As of 1 January 2019, the Group introduced the new standard on leases. See Note 3.1. for more details. The ones which were transitioning as at 1 January 2019 under IFRS16 are excluded from the above overview at the end of 2019.

During the period an amount of EUR 3,682 thousand (2018: EUR 5,195 thousand) was included in revenues related to income from sublease contracts. The decrease is partially due to transitioning contracts due to the implementation of IFRS16 as at 1 January 2019.

## 31. Commitments

The Group is committed to incur IT operational expenditure mainly related to managed communication networks and outsourced activities of EUR 54,488 thousand (2018: EUR 18,596 thousand) spread within the next ten years. The increase is due to signing of several service contracts for longer periods than before and the licencing need of the increased tech-enabled services the Group provides.

## 32. Contingencies

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

## 33. Related parties

During 2018, The Blackstone Group LOP (Blackstone) sold off a large portion of their shares resulting in a below 10%

shareholding in the Company. Blackstone's representation on the Supervisory Board ended in 2019 with the resignation of Lionel Assant.

### 33.1. Parent and ultimate controlling party

Prior to listing at the Euronext Amsterdam on 15 October 2015, the Company was ultimately controlled by funds managed by Blackstone which had the majority shareholding in the Group. The remaining shares were owned by parties related to management. Following the IPO, the Company is the new ultimate controlling party of the Group.

### 33.2. Transactions with key management personnel

The Group has defined key management personnel as the members of the 2019 Supervisory Board, Management Board and Executive Committee of the Group, responsible for the strategic and operational activities.

### Key management personnel compensation

Key management personnel compensation comprises:

(EUR 000)	2019	2018
Short-term employee benefits	6,767	6,262
Post-employment benefits	201	133
Share-based payment <sup>1</sup>	2,810 <sup>2</sup>	909
Other benefits <sup>3</sup>	1,493	700
<b>Total</b>	<b>11,271</b>	<b>8,004</b>

<sup>1</sup> This includes the expenses recognised by the Group related to the EOP and LTIP awards made to key management personnel.

<sup>2</sup> Including Rollover share plan costs.

<sup>3</sup> Including termination benefits.

### Management Board

For the individual members of the Management Board, the Group recognised the following remuneration expenses:

## 2019 remuneration

(EUR 000)	Base salary	Other benefits	Short-term incentive <sup>2</sup>	Deferred remuneration	Extraordinary		Annualised total <sup>1</sup>
					expense from total		
Stephanie Miller	600	184	600	390	1,774	-	1,774
Hans Turkesteen <sup>5</sup>	538	608	310	134	1,590	560	-
Henk Pieter van Asselt <sup>6</sup>	245	20	-	132	397	-	-
Rogier van Wijk <sup>7</sup>	32	9	21	13	75	-	855
<b>Total</b>	<b>1,415</b>	<b>821</b>	<b>931</b>	<b>669</b>	<b>3,836</b>	<b>560</b>	<b>2,629</b>

## 2018 remuneration

(EUR 000)	Base salary	Other benefits <sup>1</sup>	Short-term incentive <sup>2</sup>	Deferred remuneration	Extraordinary		Annualised total
					expense from total		
Stephanie Miller	496	104	352	225	1,177	-	1,318
Hans Turkesteen	83	4	38	21	146	-	711
Henk Pieter van Asselt	350	3/3	250	222	1,195	350	-
David de Buck <sup>8</sup>	37	4	-	28	69	-	-
<b>Total</b>	<b>966</b>	<b>485</b>	<b>640</b>	<b>496</b>	<b>2,587</b>	<b>350</b>	<b>2,028</b>

<sup>1</sup> Other benefits include life course compensation, car allowance, relocation or other allowances such as termination benefits when applicable.

<sup>2</sup> Short-term remuneration represents accrued bonuses to be paid in the following financial year.

<sup>3</sup> The remunerations of the Management Board are presented for the period they were part of the Management Board.

<sup>4</sup> As the costs contain expenses on an accrual basis and in line with Group Accounting Policies, the comparison for share-based payments is presented in details in the tables hereafter showing the Management Board awards. In the annualised total, only those members of the Management Board are shown if they were in charge as at 31 December 2019 or 31 December 2018 respectively.

<sup>5</sup> Resigned and stepped down from the Management Board as of 12 September 2019 but remains employed by Intertrust up to 31 March 2020.

<sup>6</sup> Resigned in 2018 and left the Management Board on 16 May 2019 and remained employed by Intertrust until 31 July 2019.

<sup>7</sup> Effective 28 November 2019, Rogier van Wijk became member of the Management Board.

<sup>8</sup> Effective 22 January 2018 Stephanie Miller replaced David de Buck as Intertrust's CFO. David de Buck remained employed by Intertrust up to 17 May 2018.

## 2019 deferred remuneration

(EUR 000)	EOP <sup>1</sup>	Other LTI <sup>1</sup>	Pension costs	Total
Stephanie Miller	-	240	150	390
Hans Turkesteen	-	-	134	134
Henk Pieter van Asselt	-	125	7	132
Rogier van Wijk	-	5	8	13
<b>Total</b>	<b>-</b>	<b>370</b>	<b>299</b>	<b>669</b>

## 2018 deferred remuneration

(EUR 000)	EOP <sup>1</sup>	Other LTI <sup>1</sup>	Pension costs	Total
Stephanie Miller	-	101	124	225
Hans Turkesteen	-	-	21	21
Henk Pieter van Asselt	94	112	16	222
David de Buck <sup>2</sup>	29	(5)	4	28
<b>Total</b>	<b>123</b>	<b>208</b>	<b>165</b>	<b>496</b>

<sup>1</sup> Represents the expense recognised during the year in accordance with IFRS2, share-based payment, related to the EOP and LTIP awards.

<sup>2</sup> EOP accelerated vested on 1 May 2018 with the approval of the Supervisory Board.

The Management Board EOP awards outstanding and movements during the financial year were:

	Award date	1 Jan 2018	Movements in 2018 <sup>1</sup>	31 Dec 2018	Fair value per share at grant date (EUR)
<b>David de Buck</b>					
EOP – Matching shares	19 Oct 2015	50,013	(50,013)	–	14.28
<b>Henk Pieter van Asselt</b>					
EOP – Matching shares	19 Oct 2015	25,006	(25,006)	–	14.28

<sup>1</sup> The movements in 2018 are caused by the vesting of the EOP shares.

Upon vesting of the share-based payment awards to the members of the Management Board and other eligible employees, the Company may at its discretion make the required number of Ordinary Shares available either by issuing new Ordinary Shares or by purchasing existing Ordinary Shares in the open market.

The LTIP awards of 2018 for the members of the Management Board were set by the Supervisory Board of the Company on 31 March 2018. The Management Board LTIP awards outstanding and movements during the financial year were:

	Award date	Outstanding as at 1 Jan 2019	Granted in 2019	Movements in 2019 <sup>1</sup>	Outstanding as at 31 Dec 2019 <sup>2</sup>	Fair value per share at grant date (EUR)	Vesting date <sup>3</sup>
<b>Other LTI</b>							
<b>Stephanie Miller</b>							
PSP shares	29 Nov 2019	–	35,108 <sup>1</sup>	–	35,108	11.96	29 Nov 2022
PSP shares	29 Nov 2019	–	35,108	–	35,108	11.96	29 Nov 2022
LTIP4 shares <sup>2</sup>	1 Apr 2018	28,534	–	–	28,534	14.86	1 Apr 2021
<b>Rogier van Wijk</b>							
PSP shares	29 Nov 2019	–	4,388	–	4,388	11.96	29 Nov 2022
SDP shares <sup>3</sup>	1 April 2019	–	–	2,381	2,381	15.26	1 Apr 2022
LTIP4 shares <sup>4</sup>	1 April 2018	–	–	2,700	2,700	14.86	1 Apr 2021
<b>Henk Pieter van Asselt</b>							
LTIP4 shares	1 Apr 2018	10,000	–	(10,000)	–	14.86	1 Apr 2021
LTIP3 shares	1 Apr 2017	4,000	–	(4,000)	–	16.03	1 Apr 2020
LTIP1 shares	1 Apr 2016	1,925	–	(1,925)	–	17.95	1 Apr 2019

<sup>1</sup> Rogier van Wijk was appointed to the Management Board as at 28 November 2019. Other movements are caused by vesting.

<sup>2</sup> The Group is planning to transfer available treasury shares to cover the vesting of the grants in 2020.

<sup>3</sup> Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due.

<sup>4</sup> Stephanie Miller was awarded 35,108 shares for performance year 2018 and 35,108 shares for performance year 2019 on 29 November 2019.

– LTIP4 shares granted to Stephanie Miller do not need to meet performance conditions.

<sup>5</sup> Grants from 1 April 2019 and 1 April 2018 do not have performance criteria.

		Outstanding	Granted in	Movements	Outstanding	Fair value	
	Award date	1 Jan 2018	2018	in 2018 <sup>1</sup>	as at 31 Dec 2018	per share at grant date (EUR)	Vesting date <sup>2</sup>
<b>Stephanie Miller<sup>3</sup></b>							
LTIP shares	1 Apr 2018	-	28,534	-	28,534	14.86	1 Apr 2021
<b>David de Buck<sup>4</sup></b>							
LTIP shares	1 Apr 2017	4,000	-	(4,000)	-	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	4,925	-	(4,925)	-	17.95	1 Apr 2019
<b>Henk Pieter van Asselt</b>							
LTIP shares	1 Apr 2018	-	10,000	-	10,000	14.86	1 Apr 2021
LTIP shares	1 Apr 2017	4,000	-	-	4,000	16.03	1 Apr 2020
LTIP shares	1 Apr 2016	4,925	-	-	4,925	17.95	1 Apr 2019

<sup>1</sup> Movements are caused by the resignation of David de Buck as per 16 May 2018.

<sup>2</sup> Following the vesting date, the LTIP shares granted to members of the Management Board are subject to an additional two-year lock up period, except for the LTIP shares that can be sold to cover income taxes due.

<sup>3</sup> Shares granted to Stephanie Miller do not need to meet performance conditions.

<sup>4</sup> Vesting of LTIP shares for David de Buck will remain as per the original vesting dates of the respective grants.

As of 31 December 2019, the members of the Management Board have no loans outstanding with the Group and no guarantees or advance payments are granted to members of the Management Board.

### Supervisory Board

The individual members of the Supervisory Board received the following remuneration:

(EUR 000)	Member since / (until)	2019	2018
Hélène Vletter-van Dort	21 August 2015	83	80
Toine van Laack	16 May 2017	63	65
Anthony Ruys	21 August 2015	63	60
Charlotte Lambkin	17 October 2017	60	60
Paul Willing	17 October 2017	58	50
Stewart Bennett	16 May 2019	39	-
<b>Total</b>		<b>371</b>	<b>315</b>

<sup>1</sup> In addition, EUR 35 thousand remuneration from affiliated entities as the Chair of the Supervisory Board.

<sup>2</sup> In addition, EUR 25 thousand remuneration from affiliated entities as member of the Supervisory Board.

The Company does not grant variable remuneration, shares or options to the member of the Supervisory Board. They had no loans outstanding any of the year ends for the above respective years. No guarantees or advance payments are granted to members of the Supervisory Board.

## 34. Group entities

### 34.1. Significant affiliates

The following companies were the significant affiliates of the Group as at 31 December 2019 due to their location, revenue, total assets or investments in other affiliates and have been included in the consolidated financial statements:

Name	Country of incorporation	Type	Ownership interest 31.12.2019
Intertrust N.V.	Netherlands	parent	100%
Intertrust Group B.V.	Netherlands	affiliate	100%
Intertrust Holding (Jersey) Limited	Jersey	affiliate	100%
Elian TopCo Limited	Guernsey	affiliate	100%
Elian MidCo Limited	Guernsey	affiliate	100%
Elian BidCo Limited	Jersey	affiliate	100%
Biplane BidCo (UK) Limited	United Kingdom	affiliate	100%
Intertrust Management Limited	United Kingdom	affiliate	100%
Intertrust Offshore Limited	Jersey	affiliate	100%
Intertrust Fiduciary Services (Jersey) Limited	Jersey	affiliate	100%
Intertrust Fiduciary Shared Services Limited	Jersey	affiliate	100%
Intertrust Premises (Jersey) Limited	Jersey	affiliate	100%
Intertrust Fiduciary Services (UK) Limited	United Kingdom	affiliate	100%
Intertrust (Netherlands) B.V.	Netherlands	affiliate	100%
Intertrust (Netherlands) Employment B.V.	Netherlands	affiliate	100%
Intertrust Management B.V.	Netherlands	affiliate	100%
Intertrust Administrative Services B.V.	Netherlands	affiliate	100%
Intertrust Escrow and Settlements B.V.	Netherlands	affiliate	100%
Intertrust Group Holding S.A.	Switzerland	affiliate	100%
Intertrust (Sweden) AB	Sweden	affiliate	100%
Intertrust (Norway) AS	Norway	affiliate	100%
Intertrust Finland Oy	Finland	affiliate	100%
Intertrust Holding (Guernsey) Limited	Guernsey	affiliate	100%
Intertrust (Spain) SL	Spain	affiliate	100%
Intertrust Holding (Curacao) N.V.	Curacao	affiliate	100%
Intertrust Resources Management Limited	Hong Kong S.A.R.	affiliate	100%
Intertrust (Singapore) Ltd.	Singapore	affiliate	100%
Intertrust Management Services Pte. Ltd.	Singapore	affiliate	100%
Intertrust (Belgium) NV/SA	Belgium	affiliate	100%
Intertrust (Suisse) S.A.	Switzerland	affiliate	100%
Intertrust (Denmark) A/S	Denmark	affiliate	100%
Intertrust (Shanghai) Consultants Limited	China	affiliate	100%
Intertrust Management Ireland Limited	Ireland	affiliate	100%
Intertrust Alternative Investment Fund Management (Ireland) Limited	Ireland	affiliate	100%
Intertrust Holdings (UK) Limited	United Kingdom	affiliate	100%
Intertrust (Cyprus) Limited	Cyprus	affiliate	100%
Intertrust Holding (Cayman) Limited	Cayman Islands	affiliate	100%
Intertrust Corporate Services (BVI) Limited	Virgin Islands, British	affiliate	100%
Intertrust (Dubai) Limited	United Arab Emirates	affiliate	100%
Intertrust Corporate Services Delaware Ltd	United States	affiliate	100%
Intertrust (Brazil) Servicos Corporativos Ltda	Brazil	affiliate	100%
Intertrust (Bahamas) Limited	Bahamas	affiliate	100%
Intertrust Germany GmbH	Germany	affiliate	100%
Intertrust Topholding (Luxembourg) S.à r.l.	Luxembourg	affiliate	100%

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Name	Country of incorporation	Type	Ownership interest
			31.12.2019
Intertrust Holding (Luxembourg) S.à r.l.	Luxembourg	affiliate	100%
Intertrust (Luxembourg) S.à r.l.	Luxembourg	affiliate	100%
Radar Executive S.A.	Luxembourg	affiliate	100%
Intertrust Australia Pty Ltd	Australia	affiliate	100%
Intertrust USA LLC	United States	affiliate	100%
Viteos Fund Services LLC	United States	affiliate	100%
Viteos Capital Market Private Limited	India	affiliate	100%

A list containing the information referred to in Section 379(1), Book 2 of the Dutch Civil Code has been filed with the office of the Commercial Register of Amsterdam, in accordance with Section 379(5), Book 2 of the Dutch Civil Code.

### 34.2. Guarantees issued to affiliates

The Company has issued several declarations of joint and several liability for various Group companies, in compliance with section 403 of Part 9 of Book 2 of the Dutch Civil Code. The UK subsidiaries listed below have claimed audit exemption under Companies Act 2006 s. 479A with respect to the year ended

31 December 2019. The Company has given a statement of guarantee under Companies Act 2006 s. 479C, whereby the Company will guarantee all outstanding liabilities to which the respective subsidiary companies are subject as at 31 December 2019:

Name	Country of incorporation	Registration number
Intertrust Investments Limited	United Kingdom	04996467
Intertrust Trustees (UK) Limited	United Kingdom	07632657
Intertrust Holdings (UK) Limited	United Kingdom	06263011
Intertrust (UK) Limited	United Kingdom	06307550
Intertrust Trustees Limited	United Kingdom	07359549
Intertrust Fiduciary Services (UK) Limited	United Kingdom	05081658
Intertrust Corporate Services (UK) Limited	United Kingdom	04723839
Biplane Bidco (UK) Limited	United Kingdom	09693921

Intertrust pools cash from certain subsidiaries to the extent legally and economically feasible. The entities that participate in the notional pooling have provided cross guarantees and authorization for set-off. Cash not pooled remains available for local operational or investment needs.

## 35. Subsequent events

There was a subsequent event from 31 December 2019 to the date of issue of these financial statements:

On 23 January 2020, Intertrust announced that it reached an agreement with Round Hill Capital to take over the company's legal and corporate administration services business. Intertrust will continue to provide fund administration services to Round Hill Capital, whilst deepening its real estate value proposition with increasing expertise for this growth sector. The transaction was completed on 21 January 2020. Valuation of the impact of the transaction is not yet completed.

Other than this, there were no subsequent events identified.

### 36. Appropriation of results

The Management Board proposes to appropriate EUR 56,783 thousand (2018: EUR 54,504 thousand) of the profit for a

payment of a dividend and to add EUR 33,542 thousand (2018: EUR 34,887 thousand) to the retained earnings.

The financial statements are signed by the Management Board and the Supervisory Board:

**Management Board:**

Stephanie Miller  
Rogier van Wijk

**Supervisory Board:**

Hélène Vletter-van Dort  
Toine van Laack  
Anthony Ruys  
Charlotte Lambkin  
Paul Willing  
Stewart Bennett

Amsterdam, the Netherlands

13 February 2020



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## Company statement of profit or loss

(EUR 000)	2019	2018
Staff expenses	(3,177)	(3,920)
Other operating expenses	(2,546)	(2,906)
Other operating income	-	6,815
<b>Loss from operating activities</b>	<b>(5,723)</b>	<b>(11)</b>
Finance income / (expense)	8,619	(3)
<b>Financial result</b>	<b>8,619</b>	<b>(3)</b>
Result of subsidiaries (net of tax)	86,861	86,918
<b>Profit before income tax</b>	<b>89,757</b>	<b>86,904</b>
Income tax	568	2,458
<b>Profit for the year after tax</b>	<b>90,325</b>	<b>89,362</b>
<i>Profit for the year after tax attributable to:</i>		
Owners of the Company	90,325	89,362

## Company statement of financial position

After profit appropriation

(EUR 000)	Note	31.12.2019	31.12.2018
<b>Assets</b>			
Investments in participating interests	4	915,501	807,385
<b>Non-current assets</b>		<b>915,501</b>	<b>807,385</b>
Other receivables		155	88
Current tax assets		–	116
Cash and cash equivalents		3	13
<b>Current assets</b>		<b>158</b>	<b>217</b>
<b>Total assets</b>		<b>915,659</b>	<b>807,602</b>
<b>Equity</b>			
Share capital		54,190	53,853
Share premium		641,499	641,499
Reserves		(23,276)	(39,294)
Retained earnings		102,059	62,488
<b>Total Equity</b>	6	<b>774,472</b>	<b>718,546</b>
<b>Liabilities</b>			
Trade payables		118	252
Other payables		140,952	88,804
Current tax liabilities		117	–
<b>Current liabilities</b>		<b>141,187</b>	<b>89,056</b>
<b>Total liabilities</b>		<b>141,187</b>	<b>89,056</b>
<b>Total equity and liabilities</b>		<b>915,659</b>	<b>807,602</b>

## Company statement of changes in equity

(EUR 000)

For the period ended 31 December 2019

Attributable to owners of the Company

	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total
Balance at 01 January 2019	53,853	641,499	62,488	(29,845)	(938)	(8,511)	718,546
Profit/(loss) for the year	-	-	90,325	-	-	-	90,325
Other comprehensive income/(loss) for the year, net of tax	-	-	(1,122)	15,861	(4,041)	-	10,698
Total comprehensive income/(loss) for the year	-	-	89,203	15,861	(4,041)	-	101,023
<i>Contributions and distributions</i>							-
Equity-settled share-based payment	-	-	6,130	-	-	-	6,130
Treasury shares delivered	-	-	(4,198)	-	-	4,198	-
Dividends paid	-	-	(55,654)	-	-	-	(55,654)
Total contributions and distributions	-	-	(53,722)	-	-	4,198	(49,524)
<i>Changes in ownership interests</i>							
Business combination	337	-	(337)	-	-	-	-
Total changes in ownership interest	337	-	(337)	-	-	-	-
Total transactions with owners of the Company							
IFRS 16 opening balance adjustment	-	-	4,427	-	-	-	4,427
Total opening balance sheet adjustments	-	-	4,427	-	-	-	4,427
Balance at 31 December 2019	54,190	641,499	102,059	(13,984)	(4,979)	(4,313)	774,472

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(EUR 000)

For the period ended 31 December 2018

Attributable to owners of the Company

	Share capital	Share premium	Retained earnings	Translation reserve	Hedging reserve	Treasury share reserve	Total
Balance at 01 January 2018	55,200	641,499	64,527	(41,437)	(545)	(14,326)	704,918
Profit/(loss) for the year	-	-	89,362	-	-	-	89,362
Other comprehensive income/(loss) for the year, net of tax	-	-	997	11,592	(393)	-	12,196
Total comprehensive income/(loss) for the year	-	-	90,359	11,592	(393)	-	101,558
<i>Contributions and distributions</i>							
Equity-settled share-based payment	-	-	5,454	-	-	-	5,454
Purchase of treasury shares	-	-	-	-	-	(36,011)	(36,011)
Treasury shares delivered	-	-	(5,937)	-	-	5,937	-
Dividends paid	-	-	(56,171)	-	-	-	(56,171)
Total contributions and distributions	-	-	(56,654)	-	-	(30,074)	(86,728)
<i>Changes in ownership interests</i>							
Share cancellation	(1,347)	-	(34,542)	-	-	35,889	-
Total changes in ownership interest	(1,347)	-	(34,542)	-	-	35,889	-
Total transactions with owners of the Company	(1,347)	-	(91,196)	-	-	5,815	(86,728)
IFRS 9 opening balance adjustment	-	-	(1,202)	-	-	-	(1,202)
Total opening balance sheet adjustments	-	-	(1,202)	-	-	-	(1,202)
Balance at 31 December 2018	53,853	641,499	62,488	(29,845)	(938)	(8,511)	718,546

## Notes to the Company financial statements

### 1. Reporting entity

The Company financial statements of Intertrust N.V. are part of the consolidated financial statements.

### 2. Basis of preparation

The Company financial statements have been prepared in accordance with the provisions of Part 9 of Book 2 of the Dutch Civil Code. The Company uses the option of Article 362.8 of Part 9 of Book 2 of the Dutch Civil Code to prepare the Company financial statements, using the same accounting policies as in the consolidated financial statements. Valuation is based on recognition and measurement requirements of accounting standards adopted by the EU (i.e. only IFRS that is adopted for use in the EU at the date of authorisation) as explained further in the notes to the consolidated financial statements.

### 3. Significant accounting policies

#### 3.1. Result of participating interests

The share of profit of participating interests consists of the share of the Company in the results of these participating interests. Results on transactions, where the transfer of assets and liabilities between the Company and its participating interests and mutually between participating interests, themselves, are not realised.

#### 3.2. Financial fixed assets

Participating interests in Group companies are accounted for in the Company financial statements according to the equity method. Refer to the basis of consolidation accounting policy in the consolidated financial statements.

### 4. Investments in participating interests

(EUR 000)	2019	2018
Balance at 01 January	807,385	802,297
Impact of new standards (IFRS16 & IFRS9)	4,427	(1,202)
Restated balance as at 01 January	811,812	801,095
Share of result of participating interests	86,861	86,915
Changes in hedging and translation reserves	11,820	11,199
Equity-settled share-based payment	6,130	5,454
Actuarial gains/(losses)	(1,122)	997
Dividend income	-	(98,275)
Balance at 31 December	915,501	807,385

In 2019 opening balances, the Company's subsidiaries adjusted their retained earnings by the impact of the implementation of the new lease standard which resulted in an increase in equity amounting to EUR 4,427 thousand in their opening balances. Similarly in 2018 resulting for the implementation of IFRS9, equity decreased by EUR 1,202 thousand.

### 5. Loans to and from participating interests

From the total closing balance as at 31 December 2019 of other liabilities EUR 140,952 thousand there is EUR 138,960 thousand (2018: EUR 68,543 thousand) relating to a current liability on arm's length basis to its subsidiary Intertrust Group B.V.

### 6. Shareholders' equity

There is no legal reserve identified on the Company level.

For movements in Equity, refer to Note 24.

### 7. Fees of the auditors

The following fees from KPMG Accountants N.V. and its member firms to the Company and its subsidiaries have been booked for the financial period:

	KPMG Accountants N.V.		Other KPMG member firms and affiliates	
(EUR 000)	2019	2018	2019	2018
Audit of the financial statements	(434)	(386)	(1,399)	(1,334)
Other assurance related services (including half year review)	(261)	(474)	(124)	(38)
Other fees	-	-	-	(37)
<b>Total</b>	<b>(695)</b>	<b>(860)</b>	<b>(1,523)</b>	<b>(1,409)</b>

For the period to which the statutory audit relates, KPMG provided the following services to Intertrust N.V. in addition to the audit:

- review of financial information for consolidation purposes;
- procedures relating to our refinancing;
- IT and business process attestations under ISAE 3000/3402 standard.

## 8. Remuneration

Refer to Note 33.2 of the consolidated financial statements for the remuneration of the Management Board and the Supervisory Board.

## 9. Off-balance sheet commitments

### Fiscal unity

The Company is head of a fiscal unity for corporate income tax purposes. The Company calculates its taxes on a stand-alone

basis. The payables and/or receivables of the corporate income tax are settled with the companies that are part of the fiscal unity. In accordance with the standard conditions of the fiscal unity, each of the companies is liable for the income tax liabilities of the entire fiscal unity.

For further details, please refer to Note 26.

## 10. Subsequent events

For subsequent events, please refer to Note 35.

The financial statements are signed by the Management Board and the Supervisory Board:

#### Management Board:

Stephanie Miller  
Rogier van Wijk

#### Supervisory Board:

Hélène Vletter-van Dort  
Toine van Laack  
Anthony Ruys  
Charlotte Lambkin  
Paul Willing  
Stewart Bennett

Amsterdam, the Netherlands

13 February 2020

# Other information

## Statutory provision with respect to appropriation of results

According to the Company's Articles of Association, the Company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the Company and the reserves which must be maintained pursuant to Dutch law.

If the adopted annual accounts show a profit the Management Board shall determine which part of the profits shall be reserved. The profit, as this appears from the adopted annual accounts, to the extent not reserved shall be at the disposal of the General Meeting, provided however that the General Meeting may only resolve on any reservation of the profits or the distribution of any profits pursuant to and in accordance with a proposal thereto of the Management Board, which proposal has been approved by the Supervisory Board.

In calculating the profits available for distribution, the Shares held by the Company in its own capital are not counted, unless such Shares are subject to a right of pledge on such Shares if the pledgee is entitled to the distributions on the Shares or a right of usufruct for the benefit of a party other than the Company.

Resolutions of the General Meeting with regard to a distribution at the expense of the reserves shall require the approval of the Management Board and the Supervisory Board.

The Management Board may resolve to make interim distributions to Shareholders, provided that the approval of the Supervisory Board has been obtained. Pursuant to and in accordance with a proposal thereto by the Management Board, which proposal has been approved by the Supervisory Board, the General Meeting may also resolve to make interim distributions to Shareholders.

Interim distributions are only permitted to the extent that the requirements set forth in the Dutch Civil Code are satisfied as apparent from an (interim) financial statement drawn up in accordance with Dutch law.

After approval of the Supervisory Board, the Management Board may determine that a distribution on Shares shall be made payable either in euro or in another currency.

After approval of the Supervisory Board, the Management Board may decide that a distribution on Shares shall not or not entirely be made in cash but other than in cash, including, without limitation, in the form of Shares, or decide that Shareholders shall be given the option to receive the distribution either in cash or other than in cash. After approval of the Supervisory Board, the Management Board may determine the conditions under which such option can be given to the Shareholders.

Any claim a Shareholder may have to a distribution shall lapse after five years, to be calculated from the date following the date on which such dividend has become payable.

If a resolution is adopted to make a distribution on Shares, the Company shall make the distribution to the person in whose name the Share is registered on the date as to be determined by the Management Board in accordance with Dutch law and the rules of the stock exchange where the Shares are listed. The Management Board shall determine the date from which a distribution to the persons entitled as referred to in the previous sentence shall be made payable.





# Independent auditor's report

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

## **Report on the audit of the financial statements 2019 included in the annual report**

### ***Our opinion***

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Intertrust N.V. as at 31 December 2019 and of its result and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Intertrust N.V. as at 31 December 2019 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

### ***What we have audited***

We have audited the financial statements 2019 of Intertrust N.V. (the 'Company') based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

The consolidated financial statements comprise:

- 1 the consolidated statement of financial position as at 31 December 2019;
- 2 the following consolidated statements for 2019: the statements of profit or loss, comprehensive income, changes in equity and cash flows; and
- 3 the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- 1 the company balance sheet as at 31 December 2019;
- 2 the company profit and loss account for 2019 and the company statement of changes in equity as at 31 December 2019; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.



### ***Basis for our opinion***

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

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

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

### ***Audit approach***

#### ***Summary***

##### **Materiality**

- Materiality of EUR 4 million (2018: EUR 4 million)
- 3.5% of profit before tax from continuing operations (2018: 4%)

##### **Group audit**

- 87% (2018: 84%) of revenue
- 89% (2018: 93%) of assets

##### **Key audit matters**

- Revenue recognition including management override of controls
- Valuation of goodwill
- Provisions and contingencies
- Purchase price allocation
- Information technology

##### **Opinion**

Unqualified



### **Materiality**

Based on our professional judgement, we determined the materiality for the financial statements as a whole at EUR 4 million (2018: EUR 4 million). The materiality is determined with reference to the 2019 profit before tax from continuing operations (3.5%; 2018: 4%). We consider profit before tax from continuing operations as the most appropriate benchmark because it reflects the operations of the Company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Audit Committee of the Supervisory Board that misstatements in excess of EUR 200,000 which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### **Scope of the group audit**

Intertrust N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Intertrust N.V.

Our group audit mainly focused on significant components. Components that were considered significant based on revenues or assets, are included in scope. These were the operating entities in the Netherlands, Luxembourg, Cayman Islands, Jersey and Viteos' entities (in India and US). Furthermore, we included in scope the operating entity in Guernsey as we identified a significant risk of material misstatement related to revenue recognition including management override of controls.

In addition, to arrive at a sufficient overall coverage over all relevant significant account balances, we included operating entities in Spain, UK, Ireland and Hong Kong in scope of our group audit as well.

All components in scope for group reporting are audited by KPMG member firms, with the exception of Viteos' entities (in India and US). The contribution to revenues of this entity amounts to 5% of Intertrust N.V.

We have:

- performed audit procedures ourselves at group components Intertrust N.V. and Intertrust Group B.V.;
- made use of the work of other auditors for the audit of the operating entities in the Netherlands, Luxembourg, Cayman Islands, Jersey, Guernsey, Spain, UK, Ireland, Hong Kong and Viteos' entities (in India and US);
- performed audit procedures over significant accounts such as external debt, goodwill and share-based payments ourselves at the group holding entity in the Netherlands.



For all operating entities in scope, an audit of the complete reporting package (full-scope audit) was performed. For components in scope we have:

- sent detailed instructions to all component auditors covering significant areas including the relevant risks of material misstatement, and set out the information required to be reported to the group audit team;
- held conference calls and/or physical meetings with the auditors of the components. During these visits, meetings and calls, the planning, risk assessment, procedures performed, findings and observations reported to the group auditor were discussed in more detail;
- visited component locations in the Netherlands, Luxembourg, India and Jersey where we performed audit file reviews.

The group audit team has set component materiality levels which ranged from EUR 0.5 million to EUR 2 million, based on the mix of size and financial statement risk profile of the components within the group, to reduce the aggregation risk to an acceptable level. The consolidation of the group, the disclosures in the annual accounts and certain accounting topics that are performed at group level, are audited by the group audit team.

By performing the procedures mentioned above at group components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the financial statements.

Our procedures as described above can be summarized as follows:

#### Total assets

32%

Audit of the complete reporting package

57%

Covered by audit procedures performed at group level

#### Revenue

87%

Audit of the complete reporting package

0%

Covered by audit procedures performed at group level



### ***Audit scope in relation to fraud***

In accordance with the Dutch standards on auditing, we are responsible for obtaining a high (but not absolute) level of assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error.

As part of our risk assessment process, we have evaluated events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud ('fraud risk factors') to determine whether fraud risks are relevant to our audit. During this risk assessment, we made use of our own forensic specialists.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit. This included communication from the group team to component audit teams of relevant fraud risks identified at group level.

In accordance with the auditing standard, we evaluated the fraud risks that are relevant to our audit:

- Revenue recognition, in particular existence of revenue for time-based fees (a presumed risk).
- Management override of controls (a presumed risk).

Our audit procedures included an evaluation of the design, implementation as well as the operating effectiveness of internal controls relevant to mitigate these risks, and substantive audit procedures, including detailed testing of high risk journal entries and evaluation of management bias. In determining the audit procedures, we will make use of the company's evaluation in relation to fraud risk management (prevention, detections and response), including the set-up of ethical standards to create a culture of honesty.

As part of our evaluation of any instances of fraud, we inspected the incident register/whistle blowing reports and follow-up by management.

We communicated our risk assessment and audit response to management and the Audit Committee of the Supervisory Board. Our audit procedures differ from a specific forensic fraud investigation, which investigation often has a more in-depth character.

Our procedures to address fraud risks did result in the identification of a key audit matter 'Revenue recognition including management override of controls'.

We do note that our audit is based on the procedures described in line with applicable auditing standards and are not primarily designed to detect fraud.

### ***Audit scope in relation to non-compliance with laws and regulations***

We have evaluated facts and circumstances in order to assess compliance with laws and regulations relevant to the company. In this evaluation, we also made use of our own (forensic) specialist.

We identified laws and regulations that could reasonably be expected to have a material effect on the financial statements based on our general understanding and sector experience, through discussion with relevant management and evaluating the policies and procedures regarding compliance with laws and regulations.



We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group team to component audit teams of relevant laws and regulations identified at group level. The potential effect of these laws and regulations on the financial statements varies considerably:

- Firstly, the company is subject to laws and regulations that directly affect the financial statements including taxation and financial reporting (including related company legislation). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have an indirect material effect on amounts recognised or disclosures provided in the financial statements, or both, for instance through the imposition of fines or litigation.

We identified the following areas as those most likely to have such an indirect effect:

- Anti-money laundering laws and regulations.
- Trade sanctions laws and regulations.

Auditing standards limit the required audit procedures to identify non-compliance with laws and regulations that have an indirect effect to inquiring of relevant management and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not identify any additional actual or suspected non-compliance other than those previously identified by the company in each of the above areas. We considered the effect of actual or suspected non-compliance as part of our procedures on the related financial statement items.

Our procedures to address compliance with laws and regulations did result in the identification of a key audit matter 'Provisions and contingencies'.

We do note that our audit is not primarily designed to detect non-compliance with laws and regulations and that management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud, including compliance with laws and regulations.

The more distant non-compliance with indirect laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

### ***Our key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee of the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed. Compared to prior year, we have added a Key Audit Matter 'Purchase Price Allocation' related to the acquisition of the company Viteos.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Revenue recognition including management override of controls

### Description

Revenue recognition, in particular existence of revenue for time-based fees, is considered a significant audit risk. It relates to potential manipulation of cut-off and management override of controls. Management override relevant to internal controls is an action or a series of actions performed by management to bypass established internal controls. Management override may be driven by an incentive or pressure to reach analyst expectations. The risk relates to cut-off of revenue whereby revenue is overstated.

### Our response

We addressed the risk of fraudulent revenue recognition and management override of controls in our audit through a combination of controls testing (if possible based on the maturity level of controls at a component) and substantive testing:

- Testing of the key controls in relation to revenue recognition, such as the approval of hours recorded, reconciliation of written hours to contractual hours and review of proposed invoicing.
- Testing operating effectiveness of the IT application and the general IT controls to the extent that this is considered effective and efficient in our audit approach. This resulted in for example testing of the general IT controls and IT application controls over the input of information into the back-office system and testing of application controls over approval of invoices and approval of timesheets. For components where we do not rely on IT controls, this resulted in additional substantive audit procedures such as manual reconciliations of data.
- Testing the cut-off of revenue with underlying documentation. Amongst others, we verified the timing of revenue recognition with underlying contracts and written hours, whether credit notes issued after balance sheet date related to revenue recognised in 2019, the existence and collectability of WIP and debtor balances by reconciling WIP to written hours and testing the aging of accounts receivable.
- Journal entry testing of both manual journal entries recorded directly in the consolidation, and manual journal entries recorded by local management and high risk journal entries in the consolidation system, using data analysis tools where possible.
- Analysis of the Company's accounting policies and practices in relation to revenue recognition for compliance with IFRS 15.

### Our observation

Our audit procedures did not reveal indications of manipulations in revenue cut-off nor management override of controls in the accounting applied by management in relation to the recognition of revenue.



## Valuation of goodwill

### Description

The company has recognised a significant amount of goodwill predominantly emanating from the acquisitions of Elian and ATC and Viteos. There is a potential risk of impairment of goodwill, to the extent actual developments deviate negatively from the assumptions applied during the acquisition of the group entities. The annual impairment test performed was significant to our audit because the assessment process is complex, judgemental and is based on assumptions that are affected by expected future economic and market conditions. In performing the impairment testing for goodwill, the Company used various assumptions in respect of future economic and market conditions, such as the discount rate, revenue and margin development, expected inflation rates and the terminal value growth.

The amounts recognised, the assumptions and sensitivities used to assess the recoverable amount recognised, are disclosed in note 16 of the consolidated financial statements.

### Our response

Our response was geared to a full substantive audit approach instead of testing of internal controls relating to the valuation of goodwill. We performed, amongst others, the following procedures:

- Assessed whether the impairment testing was performed in accordance with IAS 36.
- Assessed if management's determination of, and changes to, the Cash Generating Unit (CGU) and the related carrying value was appropriate.
- Challenged management's budget and cash flow forecasts, performing sensitivity analyses and a retrospective review of the historical accuracy of management's estimations.
- Involved a KPMG valuation specialist to assist the audit team in the audit procedures performed. The valuation specialist's procedures included evaluating the reasonability of the methodology used by management, assessing the reasonableness of the key input parameters (including Weighted Average Cost of Capital (WACC) and terminal growth rate), performing independent sensitivity analyses over the outcome of the impairment test, and comparison with market data.
- Assessed the mathematical accuracy of the goodwill impairment model and assessed whether the calculated recoverable amount is greater than the carrying amount of the CGUs tested.
- Reconciled source data used in the model to underlying audit evidence.
- Assessed the adequacy of the Company's disclosure in note 16.

### Our observation

Based on our procedures performed, we found management's assessment relating the valuation of goodwill overall within an acceptable range and adequately disclosed in note 16 of the financial statements.





## Provisions and contingencies

### Description

As disclosed in note 32, Intertrust is involved in governmental, regulatory and legal proceedings and investigations in several jurisdictions.

Management judgement is involved in assessing the accounting for these proceedings and investigations. The risk is mainly associated with the completeness of the disclosure of contingent liabilities and the recognition and measurement of the provisions in the financial statements.

Management's assessment of legal claims is included in note 29 of the consolidated financial statements and the description of contingent liabilities is included in note 32.

### Our response

We performed, amongst others, the following procedures:

- Tested management's controls over litigation and claims monitoring and adequacy of provision measurement.
- Involved forensic specialists in our procedures regarding governmental and regulatory proceedings and investigations.
- Inspected correspondence with governmental and regulatory authorities.
- Inspected Management Board and Supervisory Board minutes.
- Inspected correspondence with external legal advisors of the Company and evaluated of legal expenses.
- Challenged management's assessment of proceedings, investigations, litigations and claims and subsequent assessment of provisions and disclosures required as at year-end.
- Inquired Management Board, in-house legal counsel, Chief Risk Officer and Head of Internal Audit and verified substantive audit evidence.
- We also assessed the adequacy of the Company's disclosure as included in note 29 and note 32.

### Our observation

Based on our procedures, we found the provisions recognised reasonable and we found the disclosures of contingent liabilities to be appropriate.



## Purchase Price Allocation

### Description

As disclosed in note 14, the company acquired 100% of the share capital in the company Viteos for a total consideration of EUR 259 million during the financial year.

The purchase price allocation ('PPA') as required by IFRS contains management judgement in estimates, such as the fair value of the individual assets acquired. Management performed the PPA with the use of external experts and determined the resulting goodwill.

The primary element of the valuation and PPA process was to assess the fair value of intangible assets (EUR 39 million) in the form of software and client relationships. Resulting goodwill amounted to EUR 221 million.

The judgement involved in determining the PPA as well as the value allocated to intangible assets, makes the PPA a key audit matter.

### Our response

We involved a valuation specialist to assist us in our audit procedures. We performed amongst others the following procedures for the PPA as per 31 December 2019:

- Verified the total consideration identified by Intertrust based on the signed agreements.
- Evaluated of the adequacy and completeness of the identification of the intangible assets.
- Assessed the reasonability of the valuation approach applied for the valuation of the identified intangible assets.
- Assessed the reasonability of the key assumptions applied in the valuation of the intangible assets.
- Challenged the forecasts and cash flows used in the calculations.
- Evaluated the reasonability of the overall outcome of the preliminary PPA.

We also assessed the adequacy of the disclosures included in note 14.

### Our observation

Based on our procedures performed, we found the overall outcome of the PPA of the company Viteos to be reasonable. We found the disclosure of the acquisition of the company Viteos to be appropriate.



## Information technology

### Description

The Company is dependent on its IT infrastructure for the continuity of its operations. The Company makes investments in its IT systems and processes as it is continuously improving the efficiency and effectiveness of the IT infrastructure and the reliability and continuity of the electronic data processing.

### Our response

We have assessed the reliability and continuity of the electronic data processing, as far as necessary within the scope of our audit. For that purpose, we included IT auditors in our audit team. As part of the audit of the financial statements, we obtained an understanding of the entity's IT environment and how the Company has mitigated the risks arising from the IT systems, by testing internal controls where relevant for the purpose of our audit, that maintain the integrity of information and the security of the data that such systems process. Our procedures included, amongst others, the assessment of access to programs and data, change management, computer operations, and back-up and recovery in the IT domain and testing of the relevant internal controls with respect to relevant IT systems and processes.

To the extent where (part of the) General IT Controls are not operating effectively, we assess the impact on our substantive audit approach. This includes test of details of specific transactions and reports.

### Our observation

Overall, the results of our audit procedures on information technology were satisfactory. In our reporting to the Audit Committee of the Supervisory Board, we provided recommendations for further improvements to the IT controls.



## **Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Management Board is responsible for the preparation of the other information, including the information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **Report on other legal and regulatory requirements**

### ***Engagement***

We were engaged by the General Meeting as auditor of Intertrust N.V. on 25 September 2015, as of the audit for the year 2015 and have operated as statutory auditor ever since that financial year.

### ***No prohibited non-audit services***

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audits of public-interest entities.

## **Description of responsibilities regarding the financial statements**

### ***Responsibilities of the Management Board of the Company and the Supervisory Board for the financial statements***

The Management Board of Intertrust N.V. is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board of Intertrust N.V. is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



As part of the preparation of the financial statements, the Management Board of Intertrust N.V. is responsible for assessing Intertrust N.V.'s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Management Board of Intertrust N.V. should prepare the financial statements using the going concern basis of accounting unless the Management Board of Intertrust N.V. either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Management Board of Intertrust N.V. should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing Intertrust N.V.'s financial reporting process.

### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A further description of our responsibilities for the audit of the financial statements is included in the appendix to this auditor's report. This description forms part of our auditor's report.

Amstelveen 13 February 2020

KPMG Accountants N.V.

W.G. Bakker RA

### **Appendix:**

Description of our responsibilities for the audit of the financial statements



## Appendix

### Description of our responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Company;
- concluding on the appropriateness of the Management Board of the Company's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are solely responsible for the opinion and therefore responsible to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. In this respect we are also responsible for directing, supervising and performing the group audit.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audits of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.



We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

# Office locations

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# Glossary

## Defined terms

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Annual Report

### Adjusted EBITDA

EBITDA excluding specific items and the impact of IFRS16

### Adjusted EBITA

Adjusted EBITA is defined as Adjusted EBITDA excluding depreciation of all property, plant and equipment as well as amortisation of other intangible assets

### Adjusted EBITA margin

Adjusted EBITA divided by revenue, and is expressed as a percentage

### Adjusted earnings per share

Adjusted net income divided by the weighted-average number of basic shares for the period

### Adjusted net income

Adjusted EBITA less 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 revenue

Revenue excluding IFRS16 impact

### AMX

Amsterdam Midkap Index

### AFM

The Netherlands Authority for the Financial Markets or *Stichting Autoriteit Financiële Markten*

### AIFMD

The Alternative Investment Fund Managers Directive (2011/61/EU)

### Articles of Association

The articles of association (*statuten*) of the Company

## Audit and Risk Committee

The Audit and Risk Committee of the Supervisory Board

## BEPS

The Base Erosion and Profit Shifting Project

## Blackstone

Blackstone Perpetual Topco S.à r.l.

## CAGR

Compounded Annual Growth Rate

## Capital employed

As the total of Working capital (WC) in the Statement of financial position, Property, Plant and Equipment and Intangibles (including acquisition related and other assets)

## Capital expenditure (Capex)

Investments in property, plant, equipment, software and other intangible assets not related to acquisitions and excludes right-of-use assets

## Company

Intertrust N.V. and/or any of its subsidiaries

## COSO-ERM Framework

COSO Enterprise Risk Management-Integrated Framework

## CRS

Common Reporting Standard

## DNB

The Dutch Central Bank or *De Nederlandsche Bank*

## Dutch Corporate Governance Code or the Code

The Dutch Corporate Governance Code 2016

## EBITA

Profit/(loss) from operating activities excluding amortisation

## EBITDA

Profit/(loss) from operating activities excluding depreciation and amortisation

Condensed Income Statement	Notes to the consolidated financial statements	Company Financial Statements	Other information
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### Effective tax rate (ETR)

ETR is calculated as minus one times income tax expense divided by the profit before tax of the Group

### Elian

Elian Topco Limited and its subsidiaries

### Elian acquisition

The acquisition of Elian by Intertrust as completed on 23 September 2016

### EOP

Executive Ownership Plan

### ESOP

Employee Stock Ownership Plan

### Euronext Amsterdam

The regulated market operated by Euronext Amsterdam N.V.

### EUR or €

The single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Community, as amended from time to time

### Executive Committee or ExCo

The Executive Committee of Intertrust

### FATCA

The Foreign Account Tax Compliance Act

### FDI

Foreign Direct Investment

### First trading date

15 October 2015, the date on which trading in the Offer Shares on Euronext Amsterdam commenced

### FTEs

Full-Time Equivalents

### FVOCI

Fair value through other comprehensive income

### FVTPL

Fair value through profit and loss

### GBP or £

The lawful currency of the United Kingdom

### General Meeting

The general meeting (*algemene vergadering*) of the Company

### Group

The Company and its subsidiaries from time to time

### IFRS

International Financial Reporting Standards as adopted by the European Union

### IPO

Initial Public Offering

### KPMG

KPMG Accountants N.V.

### Leverage ratio

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 Senior Facility Agreement (SFA) adjustments such as the addback of LTM LTIP, Share deferral plan (SDP) and Rollover share plan accruals

### LTIP

Long-Term Incentive Plan

### Management Board

The Management Board (*bestuur*) of the Company

### Net debt

The net of the cash and cash equivalents excluding cash on behalf of customers and gross value of the third party indebtedness

### Net interest

Net finance cost excluding foreign exchange gains and losses and fair value adjustments for specific financial instruments recognised in the Statement of profit or loss

### OECD

Organisation for Economic Co-operation and Development

### Other working capital

Other working capital in the Statement of financial position is defined as the total of Other receivables, Prepayments and Other payables

### Relationship Agreement

The relationship agreement dated on or about 2 October 2015 between the Company and Blackstone

English	Dutch	French	German
Remuneration, Selection and Appointment Committee	Remuneration, Selection and Appointment Committee of the Supervisory Board	Comité de rémunération, de sélection et de nomination	Remuneration, Selection and Appointment Committee

## Remuneration, Selection and Appointment Committee

The Remuneration, Selection and Appointment Committee of the Supervisory Board

## Working capital (WC)

Working capital in the Statement of financial position is defined as the total of the trade working capital, other working capital and net current tax

## RoA

Right-of-use assets

## SDP

Share Deferral Plan

## Shareholder

Any holder of Ordinary Shares at any time

## Shares

The ordinary shares in the capital of the Company

## Specific items

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, share-based payment upon IPO, share-based payment upon integration, and income/expenses related to disposal of assets. Specific items are not of an operational nature and do not represent the core operating results

## Supervisory Board

The Supervisory Board (*raad van commissarissen*) of the Company

## PSP

Performance Share Plan

## Trade working capital

Trade working capital in the Statement of financial position is defined as the total of Trade receivables, Work in progress, Trade payables and Deferred income

## UBO

Ultimate beneficial owner

## Underlying

Current and prior period at constant currency and, if applicable, including proforma figures for acquisition(s) (excluding IFRS16 impact)

## USD or \$

The lawful currency of the United States

## VRS

Viteos Rollover Share Plan

