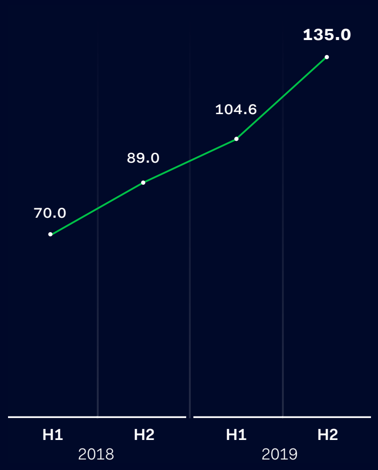
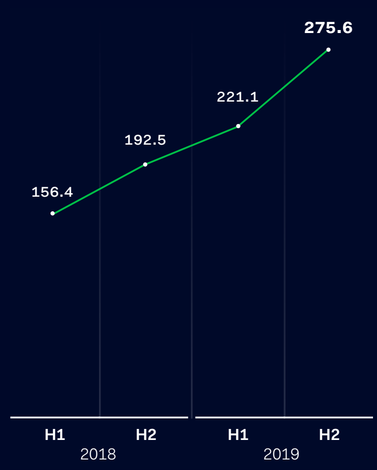
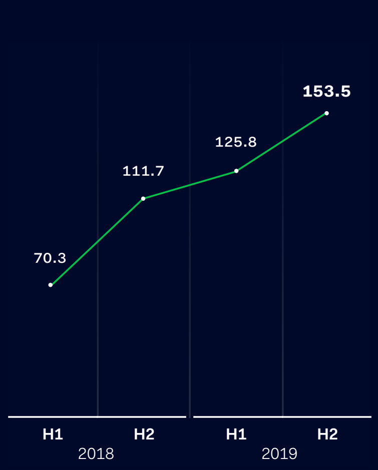
H2 2019

Shareholder letter

Highlights







Processed volume

H2 ↗ 52% YOY

€135.0 BN

FY ↗ 51% YOY

€239.6 BN

Net revenue

H2 ↗ 43% YOY

€275.6 MN

FY ↗ 42% YOY

€496.7 MN

EBITDA

H2 ↗ 37% YOY

€153.5 MN

FY ↗ 54% YOY

€279.3 MN

Profitable growth at scale

» Well-diversified volume growth across regions and merchant base

» Strong EBITDA margin of 56% amid investments in growth

» Spotting exciting new opportunities for future expansion

Gaining momentum in unified commerce

» Tangible success in QSR space with McDonald's and Subway wins

» Ongoing market-wide shift of shopper expectations

» POS volume comprised 13% of total volume

Innovation on the single platform

» Our focus remains on incremental product innovation to solve merchants' pain points

» Adyen Issuing powers a range of use cases for merchants

» Speed of innovation allows us to be at the forefront of industry trends

Growing the team

» Higher absorption rate due to improved onboarding process allowed us to ramp up hiring

» Global expansion including new offices in Tokyo and Mumbai

» Maintaining the Adyen culture at scale

Scaling Adyen during another year of **sustained profitable growth**

Dear shareholders, February 27, 2020

We processed €135 billion in the second half of 2019, up 52% year-on-year. This growth came largely on the back of increased volume from enterprise merchants onboarded in previous periods. With McDonald's and Subway now on the single platform, we reached a stage with quick-service restaurants (QSRs) where we can report tangible success. Another noteworthy development relevant to the second half of the year is the increasing pervasiveness of merchants adopting a platform business model. We are uniquely equipped to cater to this segment, and view this as a positive for the business. Processed volume for full year 2019 was €240 billion, up 51% year-on-year with 2019 net revenue and EBITDA coming in at €497 million and €279 million, respectively. As in previous periods, volume churn was less than 1%.

Three themes of recent years persisted throughout the second half of 2019: increasing diversification across our merchant portfolio, most of the growth (over 80%) coming from existing merchants and steadily low volume churn. These leave us confident that we are delivering a best-in-class solution to merchants that are looking to future-proof their approach to payments.

Point-of-sale (POS) volume for the second half was €18 billion, comprising 13% of total processed volume compared to 11% in H2 2018. It's exciting that something we started relatively recently is growing at such a pace. We believe this is due to the convergence of shopping channels and the increasing need for merchants to adopt a unified commerce approach, essential in this age of experiential shopping. We now have a proven track record in helping our merchants in this space.

Full-stack volume share for H2 2019 was 73%. For FY 2019, this was 72%, up from 70% for FY 2018 and 61% for FY 2017. This trend reflects our changing merchant mix, the global roll-out of our acquiring capabilities and an increased share of POS volume[1] as a percentage of total processed volume.

The payments space continues to be buoyed by numerous tailwinds — including an increase in cross-border commerce, a continually increasing share of online traffic in global commerce and the continuous shift from cash to cashless payment methods around the world. These are a few of the wider macroeconomic trends that affect the space, and from which we also benefit.

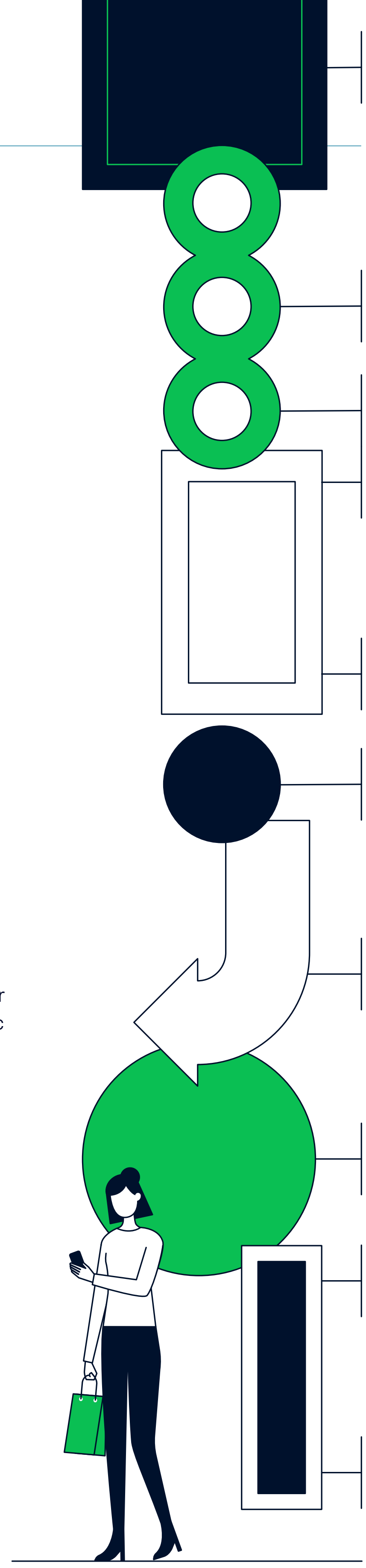
[1] POS volume is volume for which we are always the acquirer

Beyond these tailwinds, we continue to invest in order to maximize long-term value for all of our stakeholders. Retaining the flexibility to invest has always been critical to us, and in line with this philosophy we grew the team at a faster rate in the second half of 2019 — without this new hiring rate being dilutive to culture. This is something we expect to be able to maintain for the foreseeable future.

In the second half of 2019, we also began the process of investing more robustly in our global reach, most notably in the APAC region. This investment has been primarily in hiring and the opening of new offices — as offering local expertise in payments and on market developments is a critical part of our promise to merchants. They can now find us in Tokyo and Mumbai — and expect the same level of support as they receive in São Paulo or New York.

Our investments in expansion into Japan and India come on the back of merchant demand. The APAC region houses over half of the world's population and is expected to contribute more to global GDP than the rest of the world combined in 2020[2]. Moreover, the ubiquity of mobile technology in APAC is striking — as entire generations are skipping the desktop stage of internet usage. Naturally then, the region has our merchants' attention.

A development tangentially related to the APAC region is the unwavering advance of shopping holidays like Black Friday and Singles' Day. These days are critical to our merchants' success and serve as a solid test for our platform and its capacity to handle peak volumes. Exposure to peak traffic on these days has given us the opportunity to validate the robustness of our platform as we continue to scale our technology.



[2] 12/19/2019, World Economic Forum

Contributions from across the growth pillars

As in previous years, enterprise volume continues to drive the bulk of our growth. We are consistently able to win incremental merchant volume in this segment through adding channels, geographies and product lines with existing merchants. As a consequence of our land-and-expand strategy, most of the growth is still driven by cohorts that boarded onto the platform several years ago.

Within the enterprise pillar, we would like to highlight the increasing importance of platforms. In order to best help platforms and their users (e.g. sub-sellers in marketplaces, or SMEs in the realm of business toolkit providers like Wix), we needed a product that would work well at scale for both. This is why we developed Adyen for Platforms, formerly MarketPay. Through enterprise-level partnerships with platforms, the long tail of the market is able to gain access to the full strength of the Adyen single platform, worldwide. This includes unparalleled ease-of-use and full unified commerce without compromising on risk mitigation. Automated KYC[3] allows platforms to board their users quickly, providing them with a best-in-class payment offering — and ensuring that scale never hinders growth. Early results are positive, with a diverse set of merchants opting for the same solution as eBay. These merchants range from more traditional online marketplaces to companies like Zenoti — a business that provides technology to over 10,000 salons, spas and barber shops.

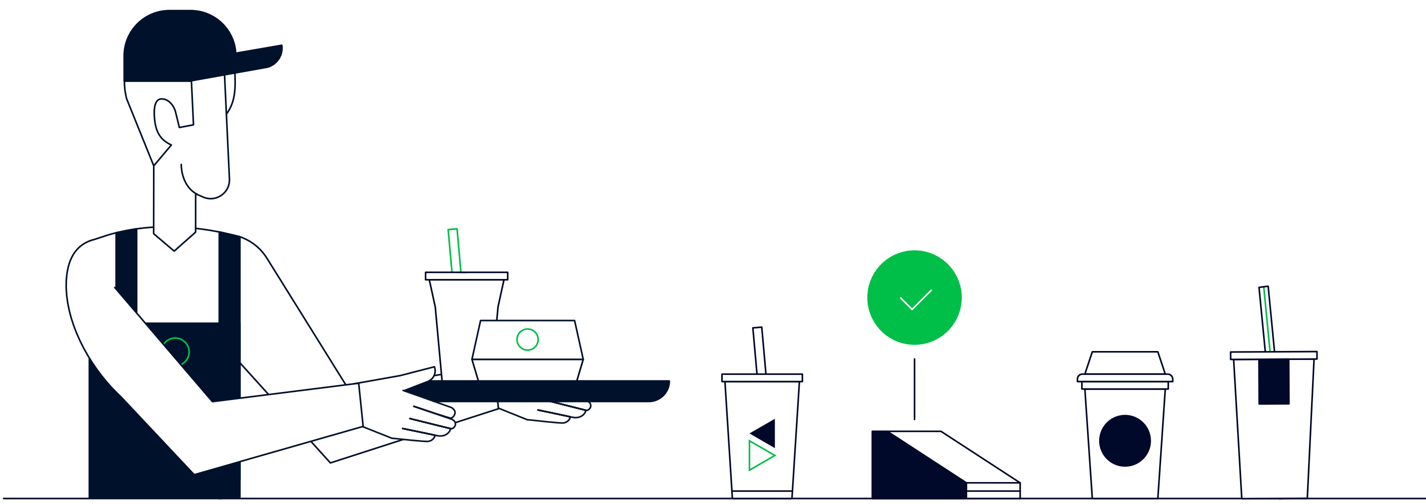
In the unified commerce space, helping merchants cater to rapidly evolving shopper behavior continues to be a driver for us. Delivering seamless shopper journeys across channels is increasingly becoming a necessity for businesses to thrive. In the second half of 2019, we saw hundreds of merchants adding a second channel, either ecommerce or POS, facilitating true unified commerce. New merchants, too, were more likely to begin processing via both channels than we have previously seen.

Initially, our focus in unified commerce was on helping high-end retail businesses. We felt that our technology would add most value to these merchants — whose main focus was already on delivering a best-in-class shopper experience. Following early success there, we moved into retail more broadly, and gained significant share in that space over the past few years, with customers including H&M and Gap Inc. Recent additions to the merchant portfolio in retail include HUGO BOSS, Dubarry and Acne Studios. In line with this growth, we continue to invest in our global POS operations and logistics to ensure scalability going forward.

[3] Know-your-customer

Following success in retail, we have begun targeting QSRs, as the recently evolved needs of merchants in this space are largely similar to those in retail. We are proud to have boarded McDonald's and Subway onto the single platform — helping them capitalize on the blurring of lines between online and offline traffic. Mobile orders, kiosks and home delivery are increasingly prevalent in the landscape of QSRs. We embrace that this is an ever-evolving space, and we are excited to be at the forefront of it.

On mid-market, we continue to invest in partnerships, a mid-market focused salesforce, and our growing customer success team. These are investments that we feel will pay off down the line. The product is now at a stage where mid-market merchants can take full advantage of the single platform — ensuring that no matter their growth stage, they'll never have to rethink payments. As we continued investing in this segment, we noticed that merchants previously defined by us as the lower end of enterprise have largely similar needs to those that we defined as mid-market. In parallel, our mid-market commercial teams have also been focusing on these businesses, based on the same observations. Therefore, to align with our commercial focus, we have decided to redefine mid-market to include all merchants processing up to €25 million per year (up from €12 million per year previously) on our platform.

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Our favourites
TAKE AWAY.

Innovating at scale

We announced Adyen Issuing in November 2019. Adyen Issuing enables us to further power our merchants' growth by allowing merchants — especially those in the travel, food delivery and hospitality verticals — to issue debit cards. These cards can be used for a range of use cases, from payouts to sub-sellers to B2B disbursement. These card-powered experiences provide exciting new opportunities. Examples include the ability to provide drivers in the delivery space with pre-loaded debit cards for payment on order pick-up, or virtual cards in the hotel industry for payment to booking partners. These cards come with extensive funding controls, allowing merchants to ensure funds are used for the desired purpose (e.g. with time window, location or sales channel controls). The product is still in an initial stage, but we are excited about new applications that could help our merchants in the future.

Another example of our ongoing product innovation is the build-out of Pay by Link, one of the ways of integrating our Checkout product. Pay by Link is an Adyen-hosted checkout that provides access to the full strength of the Adyen platform through a merchant-branded link. This link can be sent automatically or manually through any channel and is perfect for contextual commerce use cases, e.g. for VIP concierge services or chatbots. Further, Pay by Link offers merchants with limited development resources an option to go live quickly with Adyen, no matter their size.

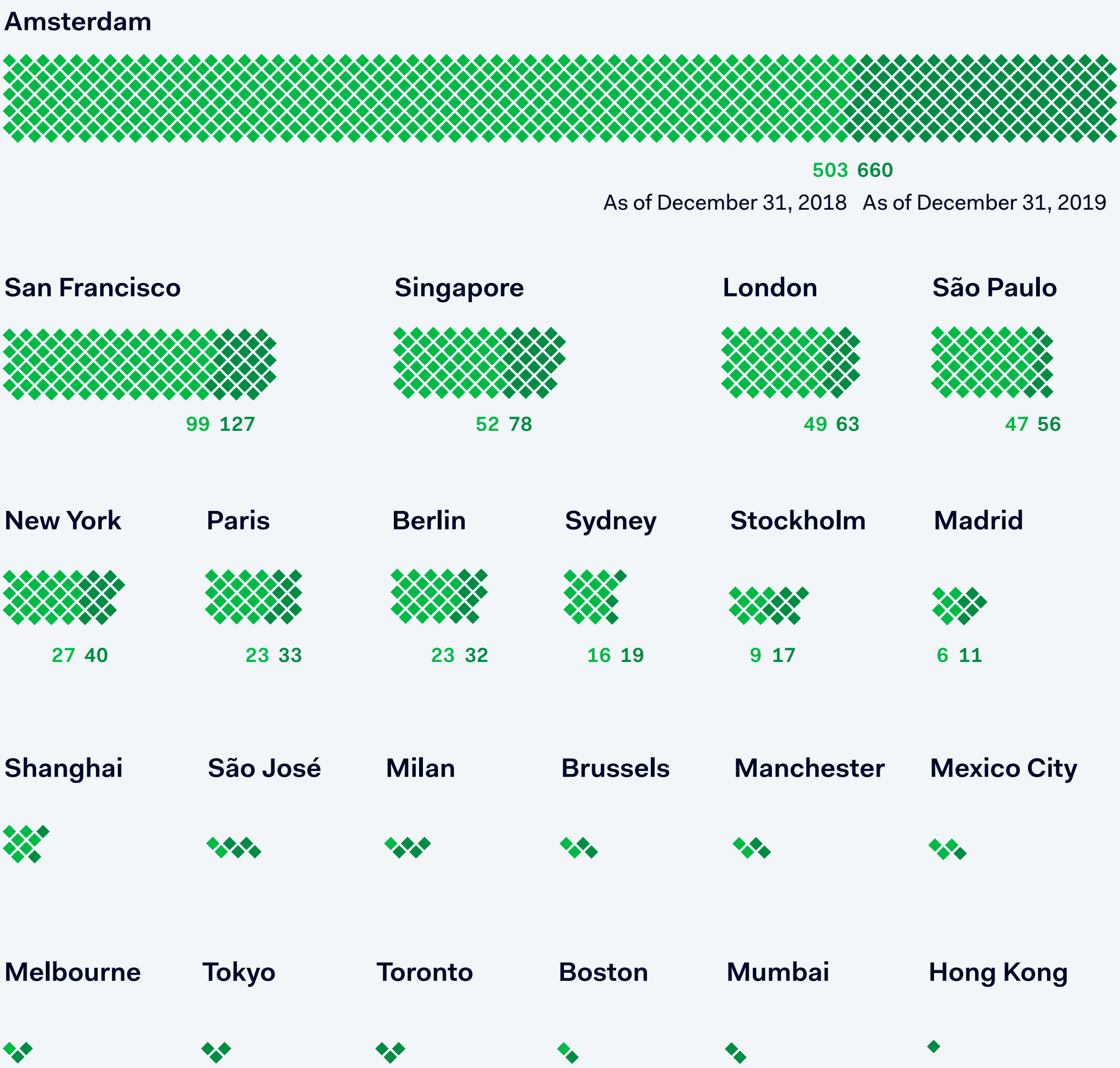
We also continue to work closely with industry partners and card networks — investing in the payment rails of the future. One example is network tokens, a new standard being developed by EMVCo. These tokens present a more secure way of seeking payment approval — without having to send in sensitive data (i.e. PANs). Our speed of innovation allows us to bring these new standards to market at an industry-leading pace, helping both merchants and industry partners.

We are able to include these network tokens in our smart issuer logic too — helping to uplift authorization rates for merchants, which in turn earns them additional revenue. The functionality we developed to do this, Network Token Optimization, essentially applies our RevenueAccelerate logic to network tokens — testing issuer preference for these tokens or PANs. Another example of how the single platform fosters innovation.

In the wider industry, there are two trends worth highlighting for the second half of 2019. The first is an unwavering shift toward stronger authentication, beyond just PSD2 in Europe — currently top of mind for most networks and regulators. We pride ourselves on ensuring that our merchants can thrive no matter what regulatory shifts occur in the landscape, and we have seen positive traction from our 3DS 2 solution. Additionally, on innovation on the consumer end of payment methods, we are seeing that mobile user flows are increasingly the focal point of development. This is a logical evolution as we see mobile payment traffic growing globally.

Figure 1

Adyen's 2019 FTE growth



Investing in the scalability of the team

We ramped up hiring in the second half of 2019 in order to continue supporting our merchants' growth, adding 195 FTE. This enhanced hiring rate is a result of us growing off a larger base, and due to several improvements that we have made in the structure of our team onboarding process. These include the introduction of tech-specific onboarding, the Adyen Sales Academy and an increased frequency and reformulation of the company introduction sessions. These improvements have resulted in a higher rate of absorption for new hires, allowing us to grow the team more quickly without it being dilutive to the culture. We expect to be able to continue this approach for the foreseeable future.

As in previous periods, senior management continued to invest significant time and energy into the hiring and onboarding processes in the second half of 2019, ensuring that every new Adyen team member sees at least one board member prior to joining. We have ramped up hiring, but we will not compromise on culture.

New hires in H2 2019 were primarily in commercial (43%) and tech roles (37%).

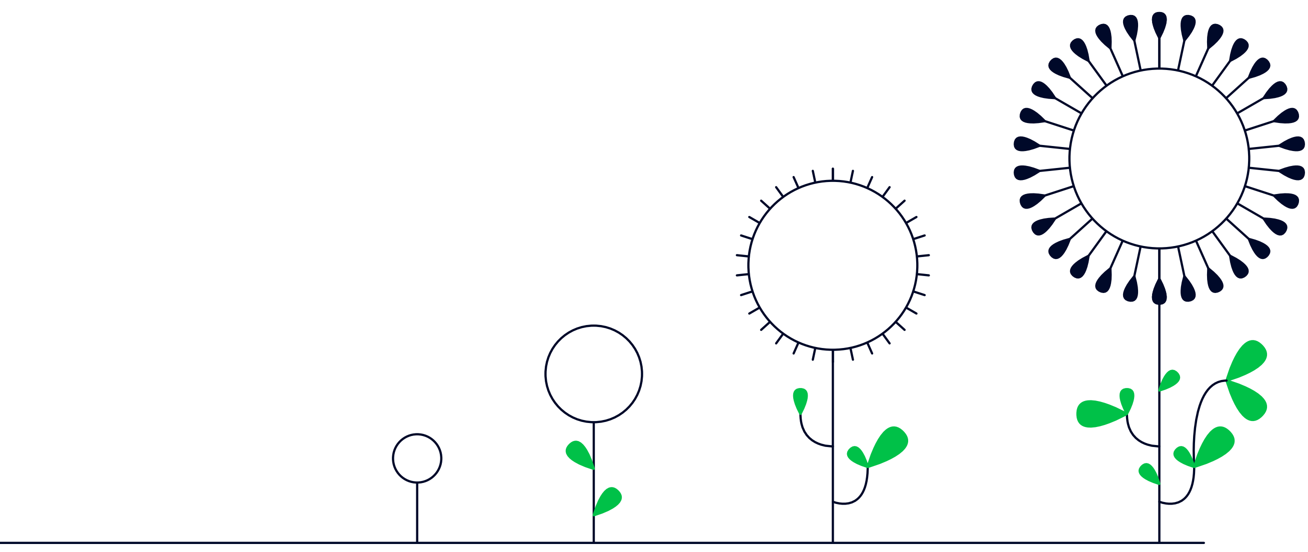
The Adyen team totaled 1,182 FTE as of December 31, 2019.

Discussion of financial results

Sustained volume growth at scale

We processed €135.0 billion on our platform in the second half of the year, an increase of 52% year-on-year, mainly as a result of the growth of merchants already on our platform.

Full year 2019 processed volume was €239.6 billion. Year-on-year growth for the full year was 51%, mirroring the year-on-year growth of previous years — now at increased scale. POS processed volume totaled €29.2 billion in 2019 and now comprises 12% of total processed volume.



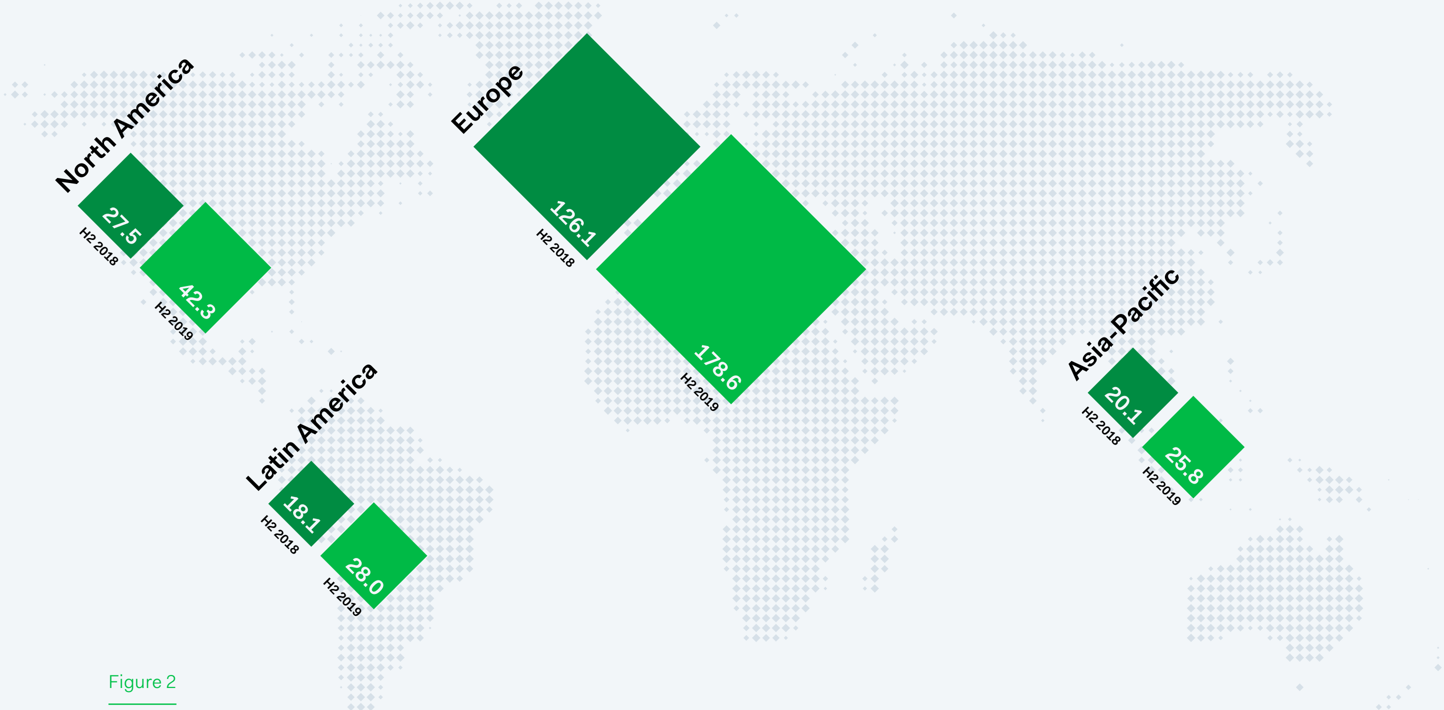


Figure 2

Adyen's net revenue in key regions (by billing address in EUR millions) in H2 2018 and H2 2019

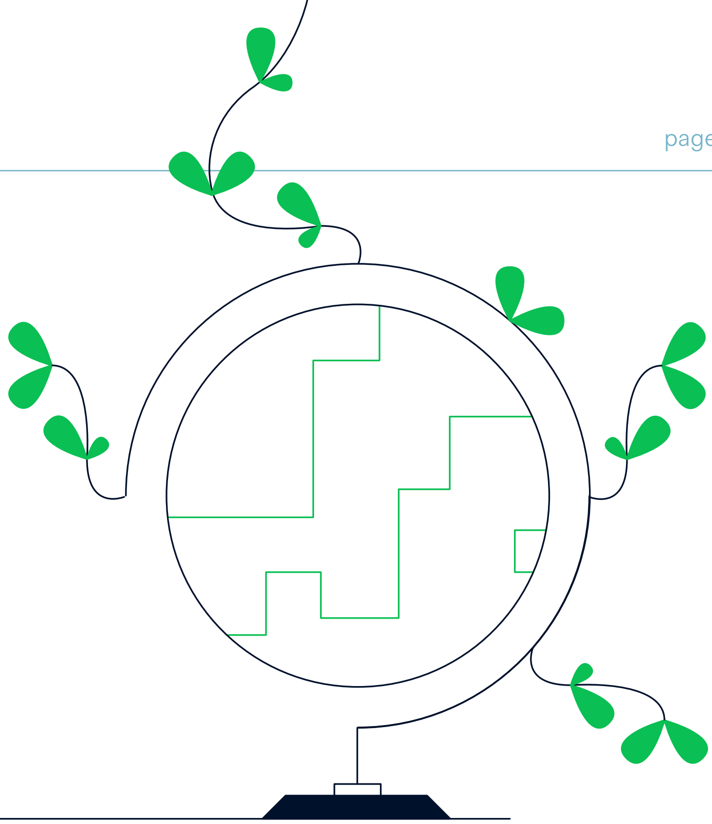
Steady net revenue growth driven by diversification in merchant base and regional footprint

Net revenue was €275.6 million in the second half of 2019, up 43% compared to the second half of 2018. Full year 2019 net revenue was €496.7 million, up 42% compared to full year 2018.

All regions posted double-digit growth, and the trend of increasing regional diversification continued in the second half of 2019. Europe (42% year-on-year growth) and Asia-Pacific (28%) were outpaced by growth in Latin America (55%) and North America (54%).

Despite ongoing global diversification, Europe still contributed over half (65%) of total net revenue for the second half of 2019. North America contributed 15%, Latin America 10%, and Asia-Pacific 9%.

Take rate was 20.4 bps in the second half of 2019, compared to 21.6 bps in the second half of 2018. This delta is also reflected in the full year numbers: 20.7 bps for 2019, versus 21.9 bps in 2018. The difference was primarily due to a changing merchant mix and volume tiers kicking in with enterprise merchants. Take rate continues to not be a driver for us, as the lower cost of operating our technology allows us to keep our focus on incremental net revenue.



Investing in global expansion

Total operating expenses were €134.1 million in the second half of 2019, up 57% year-on-year. These represented 49% of H2 2019 net revenue. For the full year, total operating expenses were €239.7 million, up 36% year-on-year, and representing 48% of FY 2019 net revenue. This increase is mainly due to employee benefits.

Employee benefits were €67.6 million in the second half of 2019, up 55% from €43.5 million in the second half of 2018. For the full year, employee benefits were €122.4, up 41% from €87.1 million in full year 2018.

The larger growth of employee benefits in the second half of the year versus the full year number is due to the ramp up of hiring in H2 2019.

Other operating expenses totaled €54.7 million in the second half of 2019, up 47% from €37.3 million in the second half of 2018. Of these, sales and marketing costs made up the largest slice, totaling €18.7 million in the second half of 2019, up 89% from €9.9 million in the second half of 2018.

For full year 2019, other operating expenses were €95.1 million, up 19% from €80.0 million for FY 2018. Sales and marketing expenses were €32.3 million for the full year, up 52% from €21.3 million in full year 2018. As we continue to expand into new geographies and extend to new verticals, we feel it is imperative that our efforts in marketing support these initiatives.

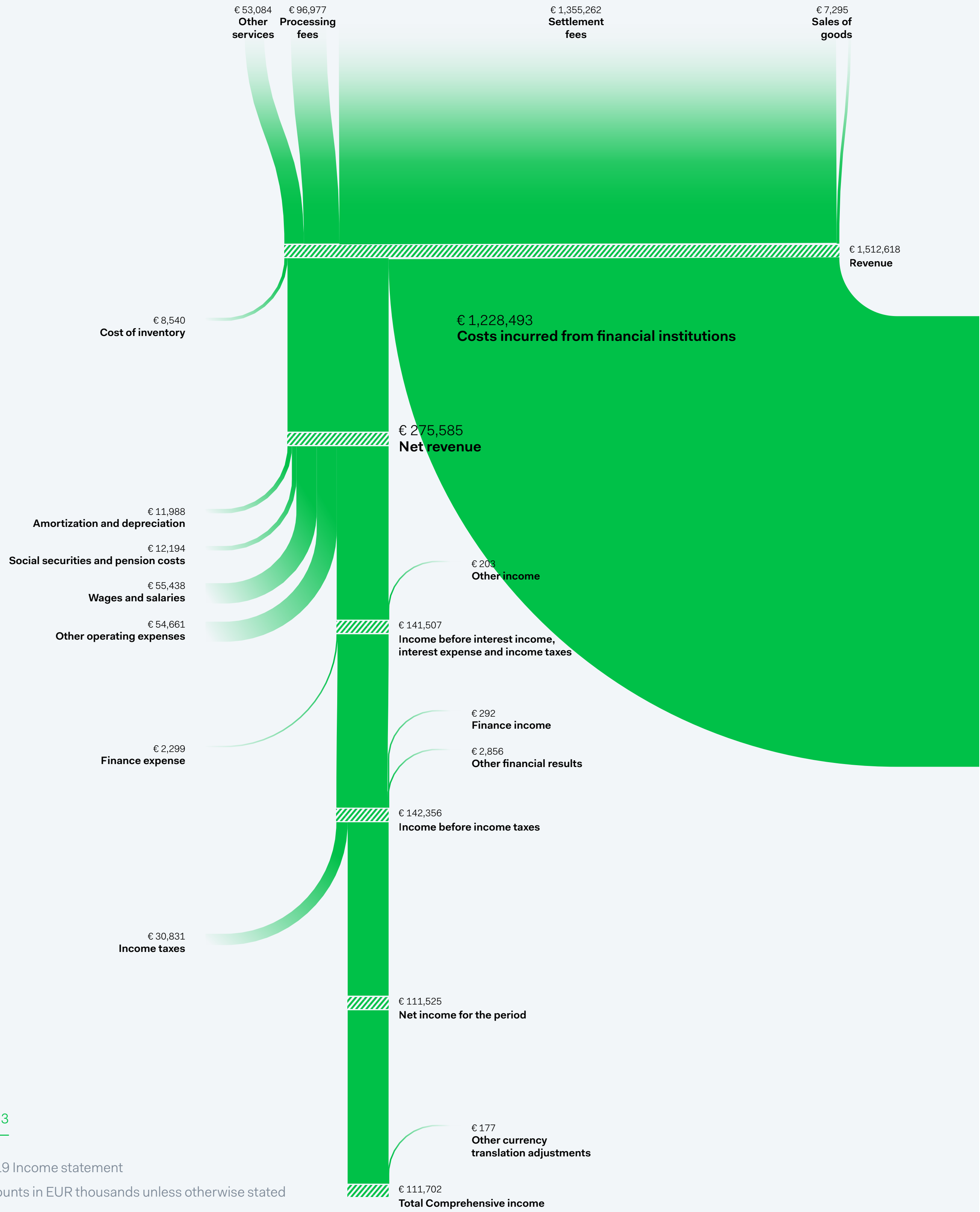


Figure 3

H2 2019 Income statement

All amounts in EUR thousands unless otherwise stated

EBITDA displaying solid profitability amid investments in growth

H2 2019 EBITDA was €153.5 million, up 37% year-on-year from €111.7 million in H2 2018. Full year EBITDA was €279.3 million in 2019, up €181.9 million from 2018.

EBITDA margin came in at 56% for the full year, as it continued to benefit from the positive impact of the IFRS16 accounting change. Without this impact, the EBITDA margin would have been approximately 2% lower.

Net income mirroring EBITDA

Net income for the second half of 2019 was €111.5 million, up 34% from €83.0 million in the second half of last year.

Full year 2019 net income was €204.0 million, up 56% from €131.1 million in 2018.

Strong free cash flow to close out the decade

Free cash flow was €141.7 million in the second half of 2019, up 34% from €105.4 million in the second half of 2018. Free cash flow was €259.4 million in full year 2019, up 54% from €168.1 million in full year 2018.

Free cash flow conversion ratio[4] was 92% in the second half of 2019, down from 94% in the second half of 2018. Free cash flow conversion ratio was 93% in full year 2019, up from 92% in full year 2018.

CapEx up due to investments in scalability

Investments in the scalability of our data centers drove CapEx slightly up to 4% of net revenue for 2019, up 45% year-on-year from 2018. H2 2019 CapEx were also at 4% of net revenue.

[4] (EBITDA-CapEx)/EBITDA

Financial objectives

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

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

EBITDA margin[5]: We aim to improve EBITDA margin, and expect this margin to benefit from our operational leverage going forward and increase to levels above 55% in the long-term.

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

We will host our earnings call at 3pm CET (9am ET) today (February 27) to discuss these results.

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

As an addendum to this letter, please find attached three one-page updates on our growth pillars (Enterprise, Unified Commerce and Mid-Market) and our H2 2019 financial statements.

Sincerely,

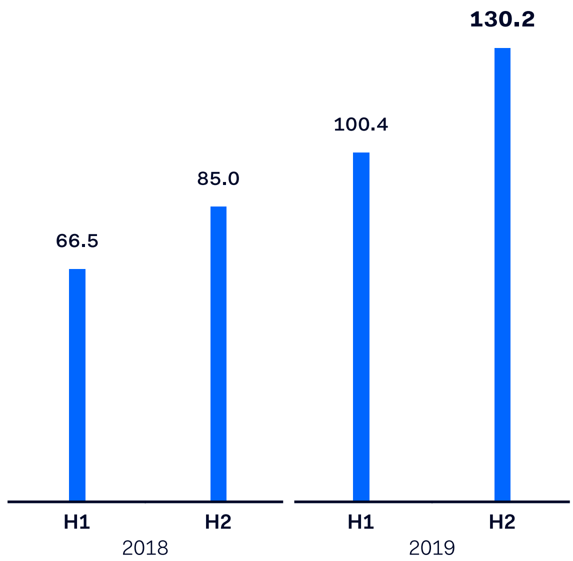
Pieter van der Does
CEO

Ingo Uytdehaage
CFO

[5] This objective was set prior to the IFRS16 accounting change

Enterprise

Enterprise volume continues to be our largest growth driver. Solving problems for these merchants is what we do best. Within the enterprise segment, the growing share of platform business models is especially noteworthy.



Enterprise volume in EUR billions. Under the previous definition of mid-market (processing up to €12 million annually on our platform), H2 2019 enterprise volume would have been €132.3 billion.

The combination of growth from existing merchants, increased diversification in our portfolio and consistently low volume churn is a proof point of our success.

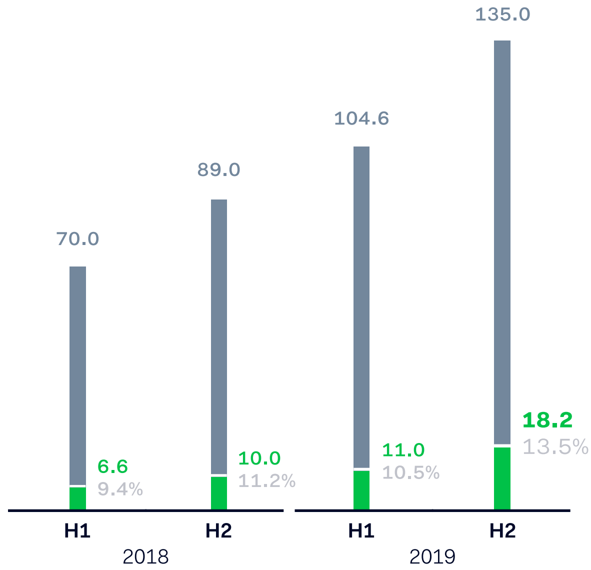
Enterprise-level partnerships with platforms provide the long tail of the market with access to the full Adyen solution.

As we continue to build out our global presence, we are boarding leading brands from across the globe.

The membership to ongoing innovation provides merchants in this segment with the opportunity to future-proof their approach to payments.

Unified commerce

We are gaining momentum in this space on the back of shifting shopper behavior. Merchants are increasingly adopting a unified commerce approach to adapt to this new environment.



POS volume evolution, including share of total processed volume on the platform (%) in EUR billions

We continue to win business in retail and QSRs due to our ability to process payments across channels on our single platform.

We are increasingly seeing merchants already live on the platform adding an additional channel — enabling true unified commerce.

Ongoing investments in the scalability and reliability of our global POS infrastructure to ensure that we can power merchants' growth at scale.

Alongside the retail and QSR spaces, we are spotting opportunities for expansion to other verticals with similar merchant pain points.

Happy Socks Est. 2008 Sweden

Acne Studios

DUBARRY OF IRELAND Est. 1937

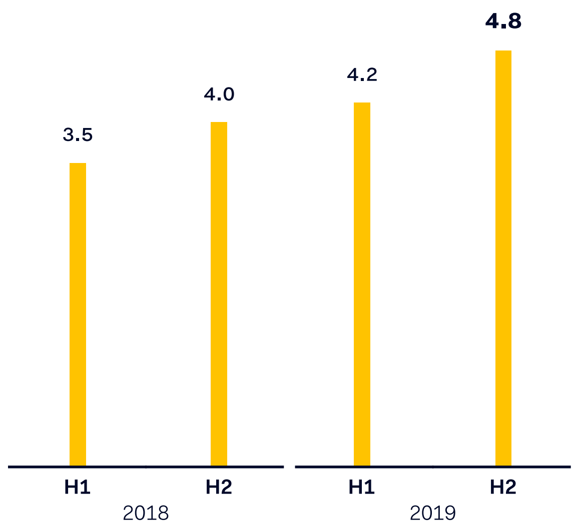
GANNI

DANIEL WELLINGTON

beets &roots

Mid-market

We continue to invest in the mid-market segment for the long term. We have redefined mid-market merchants as those processing up to €25 million annually on our platform. In H2 2019, 3,867 merchants met this definition.



Mid-market volume in EUR billions. Under the previous definition of mid-market (processing up to €12 million annually on our platform), H2 2019 mid-market volume would have been €2.7 billion.

We continue to invest in easier access to the single platform — providing mid-market merchants with a range of options for integration.

Several merchants have moved from the mid-market to the enterprise pilar as a result of their growth on the single platform.

We are refining our mid-market approach globally, targeting the next-adjacent segment to enterprise in more markets wherein we are active.

Growing the mid-market focused sales, customer success and plugins & partnerships teams continues to be a focal point for us in hiring.

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Christopher Ward

Interim Condensed Consolidated Financial Statements

H2 2019 Adyen N.V.

adyen

Condensed consolidated statement of comprehensive income

For the six months ended December 31, 2019 and December 31, 2018
(all amounts in EUR thousands unless otherwise stated)

	Note	H2 2019	H2 2018
Revenue	1	1,512,618	955,867
Costs incurred from financial institutions	1	(1,228,493)	(758,234)
Cost of inventory	1	(8,540)	(5,151)
Net revenue		*275,585*	*192,482*
Wages and salaries	2	(55,438)	(35,627)
Social securities and pension costs	2	(12,194)	(7,860)
Amortization and depreciation		(11,988)	(4,688)
Other operating expenses	4	(54,661)	(37,346)
Other income		203	47
Income before interest income, interest expense and income taxes		**141,507**	**107,008**
Finance income		292	204
Finance expense		(2,299)	(561)
Other financial results	5	2,856	(2,533)
Net finance income (loss)		**849**	**(2,890)**
Income before income taxes		*142,356*	*104,118*
Income taxes	6	(30,831)	(21,134)
Net income for the period		111,525	82,984
Net income attributable to owners of Adyen N.V.		*111,525*	*82,984*
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Other currency translation adjustments		177	785
Other comprehensive income for the year		177	785
Total comprehensive income for the year (attributable to owners of Adyen N.V.)		111,702	83,769
Earnings per share (in EUR)			
- Net profit per share - Basic	12	3.76	2.81
- Net profit per share - Diluted	12	3.67	2.71

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

Condensed consolidated balance sheet

For the periods ended December 31, 2019 and December 31, 2018

(all amounts in EUR thousands unless otherwise stated)

	Note	2019	2018
Intangible assets		7,640	5,059
Plant and equipment	11	30,219	23,921
Right-of-use assets	13	59,695	-
Other financial assets at FVPL	10	44,088	30,378
Contract assets	10	140,000	140,791
Deferred tax assets	6	71,633	8,297
Total non-current assets		**353,275**	**208,446**
Inventories	3	7,020	7,864
Receivables from merchants and financial institutions		443,333	355,596
Trade and other receivables		46,927	42,334
Financial asset at amortized cost		-	4,418
Other financial assets amortized cost	10	13,031	9,842
Cash and cash equivalents	8	1,745,388	1,231,916
Total current assets		**2,255,699**	**1,651,970**
Total assets		2,608,974	1,860,416
Share capital	7	301	296
Share premium	7	179,296	160,209
Treasury shares	7	-	(4,804)
Other reserves	7	129,230	69,472
Retained earnings	7	559,494	357,231
Total equity attributable to owners of Adyen N.V.		**868,321**	**582,404**
Derivative financial instrument	10	35,800	23,800
Deferred tax liabilities	6	26,214	23,777
Lease liability	13	50,903	-
Total non-current liabilities		**112,917**	**47,577**
Payables to merchants and financial institutions		1,521,377	1,186,861
Trade and other payables		88,105	32,495
Lease liability	13	10,791	-
Current income tax payables	6	7,463	10,715
Deferred revenue		-	364
Total current liabilities		**1,627,736**	**1,230,435**
Total liabilities and equity		2,608,974	1,860,416

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

Condensed consolidated statement of changes in equity

For the periods ended December 31, 2019 and December 31, 2018
(all amounts in EUR thousands unless otherwise stated)

	Note	Share capital	Share premium	Treasury shares	Other legal reserves	Share-based payment reserve	Warrant reserve	Retained earnings	Total equity
Balance - January 1, 2018		**295**	**149,314**	**-**	**21,726**	**6,207**	**-**	**212,236**	**389,778**
Adoption of IFRS 9 accounting policy					(20,061)			20,061	-
Restated total equity at the beginning of the financial year		**295**	**149,314**	**-**	**1,665**	**6,207**	**-**	**232,297**	**389,778**
Net income for the period								131,146	131,146
Currency translation adjustments					622				622
Total comprehensive income for the period		**-**	**-**	**-**	**622**	**-**	**-**	**131,146**	**131,768**
Adjustments:									
Intangible assets					1,079			(1,079)	-
Other adjustments					3,216			(2,064)	1,152
		-	*-*	*-*	*4,296*	*-*	*-*	*(3,143)*	*1,152*
Transactions with owners in their capacity as owners:									
Reclassification of warrant (net of tax)	6						51,150		51,150
Statutory tax rate change	6						3,069	(3,069)	-
Repurchase of depositary receipts				(31,035)					(31,035)
Options exercised		1	973			(974)			-
Proceeds on issuing shares			5,200						5,200
Movement resulting from treasury shares			4,722	26,231					30,953
Share-based payments						3,438			3,438
		1	*10,895*	*(4,804)*	*-*	*2,464*	*54,219*	*(3,069)*	*59,706*
Balance - December 31, 2018		**296**	**160,209**	**(4,804)**	**6,582**	**8,671**	**54,219**	**357,231**	**582,404**

	Note	Share capital	Share premium	Treasury shares	Other legal reserves	Share-based payment reserve	Warrant reserve	Retained earnings	Total equity
Balance - January 1, 2019		**296**	**160,209**	**(4,804)**	**6,582**	**8,671**	**54,219**	**357,231**	**582,404**
Net income for the year								204,039	204,039
Currency translation adjustments					(81)				(81)
Total comprehensive income for the period		**-**	**-**	**-**	**(81)**	**-**	**-**	**204,039**	**203,958**
Adjustments:									-
Intangible assets					2,581			(2,581)	-
Other adjustments					13			(13)	-
		-	-	-	*2,594*	-	-	*(2,594)*	-
Transactions with owners in their capacity as owners:									
Statutory tax rate change	6						(818)	818	-
Deferred tax on share-based compensation	6		255		60,389				60,644
Options exercised			4,346			(4,346)			-
Proceeds on issuing shares		5	15,332						15,337
Movement resulting from treasury shares			(846)	4,804					3,958
Share-based payments						2,020			2,020
		5	*19,087*	*4,804*	*60,389*	*(2,326)*	*(818)*	*818*	*81,959*
Balance - December 31, 2019		**301**	**179,296**	**-**	**69,484**	**6,345**	**53,401**	**559,494**	**868,321**

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

Condensed consolidated statement of cash flows

For the six months ended December 31, 2019 and December 31, 2018
(all amounts in EUR thousands unless otherwise stated)

	Note	H2 2019	H2 2018
Income before income taxes		142,356	104,118
Adjustments for:			
- Finance income		(292)	(204)
- Finance expenses		2,299	561
- Other financial results	5	(2,856)	2,533
- Depreciation of plant and equipment		4,857	3,800
- Amortization of intangible fixed assets		1,178	888
- Depreciation of right-of-use assets	13	5,952	-
- Share-based payments	2	1,803	2,408
- Financial assets at amortized cost	10	-	(170)
Changes in working capital:			
- Inventories	3	855	(1,060)
- Trade and other receivables		(190)	(61)
- Receivables from financial institutions		(82,079)	(166,510)
- Payables to merchants and financial institutions		292,199	367,361
- Trade and other payables		45,995	(6,751)
- Deferred revenue	2	-	(1,967)
- Contract assets	2	1,333	239
Cash generated from operations		*413,410*	*305,185*
Interest received		292	204
Interest paid		(2,299)	(1,661)
Income taxes paid	6	(18,772)	(14,931)
Net cash flows from operating activities		**392,631**	**288,797**
Purchases of financial assets at amortized cost		-	(2,026)
Purchases of plant and equipment	11	(9,388)	(4,879)
Capitalization of intangible assets		(2,367)	(1,415)
Net cash used in investing activities		**(11,755)**	**(8,320)**
Share premium paid by the shareholders		12,050	5,200
Other movements resulting from depositary receipts (treasury shares)		22,281	26,922
Repurchase of depositary receipts (treasury shares)		-	(21,182)
Lease payment		(4,733)	-
Net cash flows from financing activities		**29,598**	**10,940**
Net increase in cash, cash equivalents and bank overdrafts		410,474	291,417
Cash, cash equivalents and bank overdrafts at beginning of the period		1,337,687	943,127
Exchange losses on cash, cash equivalents and bank overdrafts		(2,773)	(2,628)
Cash, cash equivalents and bank overdrafts at end of the period		1,745,388	1,231,916

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

Notes to the condensed interim consolidated financial statements

General information

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

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

Basis of preparation

The interim condensed consolidated financial statements for the period 1 July, 2019 to 31 December, 2019, have been prepared in in line with the accounting and recognition principles included in our consolidated financial statements of 2018, in accordance with EU IFRS. This report should, therefore, be read in conjunction with the consolidated financial statements, as well as our H1 interim report, which contained an update on changes in accounting and recognition principles with respect to IFRS 16 - Leases. The disclosures of accumulated year to date comprehensive income and cash flows are included at the end of the financial statements for reference purposes.

Significant accounting policies

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

Critical judgements and estimates

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

- Principal versus agent for revenue out of settlement fees– refer to Note 1 'Revenue and segment reporting'
- Recognition of deferred taxes related to share-based compensation – refer to Note 6 'Income taxes'
- Fair valuation of financial liabilities at fair value – refer to Note 10 'Financial instruments'
- Incremental borrowing rate for leases – refer to Note 13 'New standards adopted by Adyen'.

New standards adopted by Adyen

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Adyen annual consolidated financial statements for the year ended December 31, 2018.

Adyen has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and effect of these changes are disclosed in the referenced notes. Adyen applied the following standards for the first time:

- IFRS 16 – *Leases* (refer to Note 13 'New standards adopted by Adyen).

The qualitative impact assessment of the first-time application on January 1, 2019 of these standards is disclosed in Note 13 'New standards adopted by Adyen'.

Key disclosures

1. Revenue and segment reporting

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

Types of goods or service	H2 2019	H2 2018
Settlement fees	1,355,262	842,075
Processing fees	96,977	71,713
Sales of goods	7,295	4,547
Other services	53,084	37,532
Total revenue from contracts with customers	1,512,618	955,867
Costs incurred from financial institutions	(1,228,493)	(758,235)
Cost of inventory	(8,540)	(5,150)
Net revenue	275,585	192,482

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

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

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

Timing of revenue recognition	H2 2019	H2 2018
Goods and services transferred at point in time	1,508,451	952,311
Services transferred over time	4,167	3,556
Total revenue from contracts with customers	1,512,618	955,867

1.1. Segment reporting

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

Revenue - Geographical breakdown	H2 2019	H2 2018
Europe	812,991	529,491
North America	465,656	283,217
Latin America	114,965	62,015
Asia-Pacific	115,901	78,706
Rest of the World	3,105	2,438
Revenue	1,512,618	955,867

1.2. Non-IFRS financial measures

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

- Net revenue: Adyen management monitors Net revenue (Revenue from contracts with customers less costs incurred from financial institutions and cost of inventory) as a performance indicator.

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

Net revenue - Geographical breakdown	H2 2019	H2 2018
Europe	178,567	126,057
North America	42,332	27,491
Latin America	27,976	18,084
Asia-Pacific	25,750	20,073
Rest of the World	960	777
Net revenue	275,585	192,482

For the six months ended December 31, 2019, net revenue was EUR 275,585, up 43.2% from 2018 (for the six months ended December 31, 2018: EUR 192,482). The year-on-year growth in net revenues shows the following geographical spread across Europe (41.7%), North America (54.0%), Latin America (54.7%) and Asia Pacific (28.3%).

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

Selected non-IFRS financial measures	H2 2019	H2 2018
Income before interest income, interest expense and income taxes	141,507	107,008
Amortization and depreciation	11,988	4,688
EBITDA	153,495	111,696
Net revenue	275,585	192,482
EBITDA margin (%)	56%	58%
Purchases of plant and equipment	9,388	4,879
Capitalization of intangible assets	2,367	1,415
CapEx	11,755	6,294
EBITDA	153,495	111,696
CapEx	(11,755)	(6,294)
Free Cash Flow	141,740	105,402
Free cash flow	141,740	105,402
EBITDA	153,495	111,696
Free Cash Flow Conversion ratio (%)	92%	94%

2. Employee benefits

2.1. Employee benefits

The regional breakdown of FTE per office as per December 31, 2019 and 2018 is as follows:

FTE per office	2019	2018
Amsterdam	660	503
San Francisco	127	99
Singapore	78	52
London	63	49
São Paulo	56	47
New York	40	27
Other	158	96
Total	1,182	873

The employee benefits expense can be specified as follows:

Employee benefits	H2 2019	H2 2018
Salaries and wages	53,933	33,219
Share-based compensation	1,505	2,408
Total wages and salaries	55,438	35,627
Social securities	10,826	6,820
Pension costs - defined contribution plans	1,368	1,040
Total	12,194	7,860

2.2. Share-based payments

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

Share-based compensation	H2 2019	H2 2018
Equity-settled	698	2,317
Cash-settled	807	91
Total	1,505	2,408

As part of the total remuneration package, Adyen has three types of share-based payments:

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

The nature, accounting policies and key parameters of the share-based payments plans are described in more detail in the 2018 consolidated financial statements.

3. Inventories

For the six months ended December 31, 2019 Adyen performed a re-assessment on inventory and determined the Net Realizable Value of part of its inventory was lower than cost. Therefore, a write-off of EUR 250 was recognized under Miscellaneous operating expenses (as disclosed in Note 4 'Other operating expenses').

4. Other operating expenses

The other operating expenses can be specified as follows:

Other operating expenses	H2 2019	H2 2018
Housing costs	822	4,306
Office costs	1,755	1,039
IT costs	6,992	5,044
Sales & marketing costs	18,735	9,947
Travel and other staff expenses	12,625	7,808
Advisory costs	7,496	6,343
Miscellaneous operating expenses	6,236	2,859
Total	54,661	37,346

Introduction of a new IFRS standard on Leases
Adyen has adopted IFRS 16 from January 1, 2019 using the modified retrospective approach. Therefore, comparative figures were not restated for the 2018 reporting period, in accordance with standards transitional provisions. Due to IFRS 16 implementation, amounts previously recognized as housing costs, are now recognized in depreciation and interests. For more details on new standard implementation refer to Note 13 'New standards adopted by Adyen'.

5. Other financial results

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

Other financial results	H2 2019	H2 2018
Exchange gains	1,467	(1,435)
Fair value re-measurement of (refer to Note 10 - 'Financial Instruments')		
Derivative Liability	(2,500)	(1,600)
Financial instruments at Fair Value through Profit & Loss	3,890	422
Other	(1)	80
Total	2,856	(2,533)

6. Income taxes

6.1. Income tax expense

The tax on Adyen's profit before tax differs from the amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities. The effective tax rate of Adyen for the six months ended December 31, 2019 is 21.7% (2018: 20.3%) which differs from the statutory tax rate in the Netherlands of 25% (2018: 25%) due to the application of the innovation box, tax rate differences on foreign operations and other adjustments (such as non-deductible expenses):

Effective tax calculation	H2 2019	H2 2018
Income before tax at statutory rate of 25%	142,356	104,118
Weighted average statutory tax rate	25%	25%
Weighted average statutory tax amount	**35,589**	**26,030**
Tax effects of:		
Innovation box (changes in tax rate)	(6,844)	(7,323)
Tax rate differences on foreign operations	(1,140)	1,108
Other adjustments (such as other deferred taxes and non-deductible)	3,226	1,320
Effective tax amount	30,831	21,134

Current income tax	2019	2018
Current income tax liabilities	7,464	10,715

6.2. Deferred taxes

Changes in tax rate
The statutory tax rate in the Netherlands will be reduced in yearly steps from 25% in 2019 to 21.7% in 2021. This change was substantively enacted in the reporting period. As a result, Adyen remeasured the relevant deferred tax balances as per December 31, 2019 with the remeasurement accounted for in profit and loss and equity. For the deferred tax balances with a maturity after December 31, 2020 Adyen has used the new tax rates.

I. Deferred tax assets
In the deferred assets an amount of EUR 29,163 (as per December 31, 2018: EUR 553) recognized relates to net operating losses carried forward, the increase in this balance relates mainly to share-based compensation excess deduction taken in the US, which is explained later in this section. Further EUR 7,769 (as per December 31, 2018: EUR 4,879) of the deferred tax assets relates to the recognized derivative liability.

During the period employees exercised an increased number of options. Adyen has assessed all jurisdictions in which it operates for possible corporate tax impact for the respective entities within Adyen to which such tax benefits pertain, that would arise from taxes paid by employees in these jurisdictions. Management's approach to paying taxes in countries in which it operates and generates profits were considered when determining whether these corporate deferred tax benefits are expected to be utilized in current and future fiscal years.

In the United States, during 2019 Adyen has proceeded with its assessment regarding the recognition of deferred tax asset on windfall benefits linked to the share-based compensation plan. Throughout the year new facts and circumstances became available, configuring a change in estimates and leading to the conclusion the Company is entitled of the tax benefit and will be able to realize the credit in upcoming years. For the exercised options, the deduction generates a permanent difference in the corporate income tax calculation, turning taxable profits into carryforward losses, the balance as per December 31, 2019 is EUR 28,380. For the future tax deductions, this being options granted and vested, however not exercised yet, Adyen has recognized a deferred tax asset in the amount of EUR 31,739.

The full deferred tax asset related to future tax deductions and carryforward losses related to the share-based compensation excess deduction was recognized directly in equity.

In addition to the United States, Adyen recognized a deferred tax asset in the United Kingdom of EUR 1,711 (2018: EUR 1,153) and a reduction of the current tax payable of EUR 52 (2018: EUR 71).

II. Deferred tax liability
The deferred tax liability consists mainly of the deferred tax on the Visa Inc. preferred stock of EUR 9,567 (as per December 31, 2018: EUR 7,594) and contract asset EUR 16,319 (as per December 31, 2018: EUR 16,020).

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

Tax expense	H2 2019	H2 2018
Current income tax expense	30,192	21,454
Deferred income tax expense	638	(320)
Total	30,830	21,134

Capital management and financial instruments

7. Capital management

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

Capital management	2019	2018
Share capital	301	296
Share premium	179,296	160,209
Total	179,597	160,505

During the six months ended December 31, 2019, 464,891 additional shares were issued as a result of exercised employee options. The number of outstanding ordinary shares as of December 31, 2019 is 30,060,947 (as of December 31, 2018: 29,553,891) (absolute nominal value EUR 0.01 per share). The total number of authorized shares as of December 31, 2019 is 80,000,000 (as of December 31, 2018: 80,000,000).

The total of distributable reserves as per December 31, 2019 amounts to EUR 734,910 (as of December 31, 2018: EUR 381,786), the other reserves are restricted for distribution. The number of shares issued is according to the trade date.

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

8. Cash and cash equivalents

As per December 31, 2019 EUR 1,005,265 (December 31, 2018: EUR 731,551) represents cash held at central banks.

9. CRR/CRD IV regulatory capital

The following table show the calculation of regulatory capital as at December 31, 2019. The regulatory capital is based on the CRR/CRD IV scope of consolidation, which is the same as the IFRS scope of consolidation.

Own funds	31/12/2019	31/12/2018
EU-IFRS Equity as reported in consolidated balance sheet	868,321	582,404
Net profit not included in CET1 Capital	(204,039)	(131,146)
Warrant reserve	(53,401)	(54,219)
Regulatory adjustments		
Intangible assets	(7,640)	(5,059)
Deferred tax asset that rely on future profitability	(61,725)	(1,895)
Prudent valuation	(80)	(54)
Total	541,436	390,031

10. Financial instruments

Financial assets impairment
During the period Adyen added EUR 1,180 (during the six months ended December 31, 2018: EUR 107) to its accounts receivable provision based on the calculations from its IFRS 9 expected credit loss model for Accounts Receivables. Adyen did not recognize any other impairments on financial instruments during the six months ended December 31, 2019 (during the six months ended December 31, 2018: nil), nor reversed any impairment losses.

Other financial assets at amortized cost (government bonds; hold to collect)
Adyen has the intent and ability to hold the bonds to maturity and Adyen therefore applies a hold-to-collect business model. The fair value (level 1) of these debt instruments at amortized cost approximates the carrying value due to the short-term nature of the instruments. Due to the low credit risk on the bonds, the expected credit losses (impairment) on the bonds is not significant.

Other financial assets at Fair Value Through Profit and Loss (Visa Inc. preferred shares)
Adyen has recognized and classified the convertible preferred Visa Inc. shares within the FVPL category. The fair value of the level 2 preferred stock in Visa Inc. is based on the fair value of Visa Inc. common stock multiplied by an initial conversion rate of preferred stock into common stock. The conversion rate of the preferred stock into an equivalent number of common stocks may fluctuate in the future. The Visa Inc. shares carry the right to receive discretionary dividend payments presented as Other Income in the income statement (in the last six months of 2019: EUR 0; in the last six months of 2018: EUR 47).

Contract assets
The carrying value of the contract asset as at December 31, 2019 is EUR 140,000 (as at December 31, 2018: EUR 140,791). The movement in the contract asset contains a foreign currency exchange gain of EUR 915 for 2019 (2018: EUR 1,147) included in Note 5 'Other financial results'. The monetary part of the contract asset is in scope of impairment under IFRS 9. However, due to low credit risk, the expected credit loss on the contract asset is not significant.

Derivative liability
As part of the merchant contract previously mentioned, Adyen recognized a derivative liability measured at fair value through profit and loss, classified as a Level 2 fair value instrument as per December 31, 2019.

The first two tranches of the derivative liability resulting from a merchant contract were reclassified from derivative liability to warrant reserve in equity in 2018, the current amount as per December 31, 2019 is EUR 53,401 (net of EUR 14,799 deferred tax assets). The remaining derivative liability balance as per December 2019 is EUR 35,800 (as per December 2018: EUR 23,800). Reference is made to Note 5 'Other financial results'.

Adyen carried out a sensitivity analysis of the derivative financial liability, and a 5% increase or decrease in the underlying Adyen share price would result in an increase or decrease of approximately EUR 2 million of the value of the derivative liability, all other circumstances considered to be equal.

Other disclosures

11. Plant and equipment

Purchases in plant and equipment for the six months ended December 31, 2019 amounted to EUR 9,765 (for the six months ended December 31, 2018: EUR 4,879), in addition no assets were disposed during the period then ended. Adyen did not recognize a loss from impairment of neither plant nor equipment during the six months ended December 31, 2019 (during the six months ended December 31, 2018: nil), nor did Adyen reverse any impairment losses.

12. Share information

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

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

Share information	H2 2019	H2 2018
Net income attributable to ordinary shareholders	111,525	82,984
Weighted average number of ordinary shares	29,678,516	29,486,625
Dilutive effect share options	794,693	1,117,459
Weighted average number of ordinary shares for diluted net profit for the period	30,398,858	30,604,084
1) Net profit per share - Basic	3.76	2.81
2) Net profit per share - Diluted	3.67	2.71

13. New standards adopted by Adyen

IFRS 16 – Leases
Adyen has adopted IFRS 16 from January 1, 2019 using the modified retrospective approach. Therefore, comparative figures were not restated for the 2018 reporting period, in accordance with standards transitional provisions. All reclassifications and adjustments arising from new rules were recognized on January 2019 opening balance sheet.

Accounting policy – Leases (IFRS 16)
Adyen assesses if a lease exists or a contract contains a lease at the contract inception date, concluding whether an asset is identifiable, and Adyen has control to direct its use and all economic benefits related. A right-of-use asset and a lease liability are recognized at the lease commencement date, which can differ from contract inception date.

The lease liability is initially measured by bringing to present value all future lease payments, discounted by the incremental borrowing rate, specific to the market where the asset is located.

At initial recognition, the right of use asset amounts to the initial lease liability. Right of use assets are tested for impairment whenever events or changes in circumstances indicates that the carrying amount may not be recoverable.

Short-term (less than 12 months) and small value lease contracts are expensed in income statement on a straight-line basis over the lease term.

Adjustments recognized on adoption of IFRS 16
Due to IFRS 16 adoption, Adyen recognized right-of-use assets and lease liabilities with regard to lease agreements for data center space, server racks and offices, which were previously recognized as operating leases in accordance with IAS 17.

The lease liability measurement was calculated by bringing to present value all future lease payments, using an incremental borrowing rate as of January 1, 2019, in case no interest rate was available for the contract.

The right-of-use assets related to the aforementioned agreements were measured in a prospective basis, as if new rules were applied to the date of standard implementation, adjusted by the amount of any prepayments related to the lease agreement as per December 31, 2018.

As a result of the new standard, the opening balances as per January 1, 2019 were affected as per below:

Impact IFRS 16	01/01/2019	31/12/2019
Right-of-use assets	62,625	59,695
Current lease liabilities	10,556	10,791
Non-current lease liabilities	52,069	50,903

In the period ended December 31, 2019, Adyen recognized an amount of EUR 5,952 related to the depreciation of the right-of-use assets and EUR 594 related to interest on the lease liabilities in accordance with IFRS 16.

14. Related party transactions

During period, Adyen identified related party transactions that took place at arm's length with Stichting Administratiekantoor Adyen, employees and Supervisory Board members. The balances as per the end of the period are disclosed as per below:

Related party transactions	**31/12/2019**	**31/12/2018**
Supervisory Board	(97)	(271)
Employees	18	1

There were no other transactions with related parties during the six months ended December 31, 2019 (2018: nil).

15. Contingencies and commitments

Adyen has no contingent liabilities in respect to legal claims.

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

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

Adyen has EUR 23,892 (as per December 31, 2018: EUR 18,777) of outstanding bank guarantees and letters of credit as per December 31, 2019. In addition, Adyen has an intra-day credit facility of EUR 272 million (as per December 31, 2018: EUR 100 million) which is not used as per December 31, 2019.

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

16. Events after the balance sheet date

There are no events after the reporting period.

17. Other information

The Interim Condensed Consolidated Financial Statements are unaudited.

Amsterdam, February 27, 2020

Sincerely,

Pieter van der Does
CEO

Ingo Uytdehaage
CFO

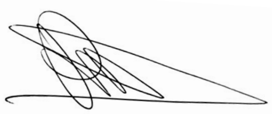
Statement by the Management board

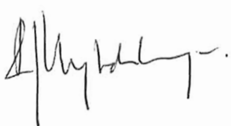
As is required by section 5.25d of the Dutch Financial Supervision Act (Wet op het financieel toezicht) we state that according to the best of our knowledge:

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

Amsterdam, February 27, 2020

Sincerely,





Pieter van der Does
CEO

Ingo Uytdehaage
CFO