



# SEMI-ANNUAL FINANCIAL REPORT

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as at 30 June 2019



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# Semi-Annual Financial Report as at 30 June 2019

## Important events in the first half-year 2019

For an overview of the main events that occurred during the first six months of 2019 and their impact on the unaudited Condensed Interim Consolidated Financial Statements as at 30 June 2019, please refer to Note 3 “Significant events and transactions” of the Condensed Interim Consolidated Financial Statements attached hereto and to the Press Release, issued and available on Euronext’s website ([www.euronext.com](http://www.euronext.com)) as from 31 July 2019.

## Related party transactions

Euronext has related party relationships with its associates and joint ventures. Transactions with subsidiaries are eliminated on consolidation. For more details, please refer to Note 22 “Related parties” of the Condensed Interim Consolidated Financial Statements attached hereto.

## Risks and uncertainties

In the 2018 Registration Document issued by Euronext N.V. on 3 April 2019, Euronext has described certain risks and risk factors, which could have a material adverse effect on the Company’s financial position and results. Those risk categories and risk factors did not materially change during the first six months of 2019 and can be found in the 2018 Registration Document on pages 7 to 12 and page 50 (section 2.2.1.1).

For the second half-year of 2019, Euronext currently believes none of these risk categories and risk factors should be particularly emphasized. Additional risks not known to Euronext, or currently believed not to be material, could later turn out to have a material impact on Euronext’s business or financial position.

# Condensed Interim Consolidated Financial Statements as at 30 June 2019

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## Condensed Interim Consolidated Statement of Profit or Loss

| <i>In thousands of euros (except per share data)</i>   | Note | Six months ended |                           |
|--|------|------------------|---------------------------|
|  |      | 30 June<br>2019  | 30 June<br>2018           |
|  |      | unaudited        | unaudited<br>Restated (a) |
| Revenue  | 8    | 311,618          | 306,807                   |
| <b>Total revenue</b>   |      | <b>311,618</b>   | <b>306,807</b>            |
| Salaries and employee benefits   | 9    | (66,630)         | (54,835)                  |
| Depreciation and amortisation  | 10   | (17,745)         | (10,811)                  |
| Other operational expenses   | 11   | (57,630)         | (72,419)                  |
| <b>Operating profit before exceptional items</b>   |      | <b>169,613</b>   | <b>168,742</b>            |
| Exceptional items  | 12   | (13,345)         | (7,176)                   |
| <b>Operating profit</b>  |      | <b>156,268</b>   | <b>161,566</b>            |
| Finance costs  | 13   | (4,708)          | (2,170)                   |
| Other net financing income/(expense)   | 13   | 3,537            | 720                       |
| Results from equity investments  | 14   | -                | 4,336                     |
| Share of net profit/(loss) of associates and joint ventures accounted for using the equity method, and impairments thereof |      | 3,450            | 2,599                     |
| <b>Profit before income tax</b>  |      | <b>158,547</b>   | <b>167,051</b>            |
| Income tax expense   | 15   | (47,526)         | (50,365)                  |
| <b>Profit for the period</b>   |      | <b>111,021</b>   | <b>116,686</b>            |
| <b>Profit attributable to:</b>   |      |                  |                           |
| – Owners of the parent   |      | 109,480          | 115,894                   |
| – Non-controlling interests  |      | 1,541            | 792                       |
| <b>Basic earnings per share</b>  | 18   | <b>1.57</b>      | <b>1.67</b>               |
| <b>Diluted earnings per share</b>  | 18   | <b>1.57</b>      | <b>1.66</b>               |

(a) See Note 5.2 for details regarding the restatement of comparative interim period figures

The above Condensed Interim Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Statement of Comprehensive Income

| <i>In thousands of euros</i>  | Note | Six months ended |                 |
|---|------|------------------|-----------------|
|   |      | 30 June<br>2019  | 30 June<br>2018 |
|   |      | unaudited        | unaudited       |
|   |      |                  | Restated (a)    |
| <b>Profit for the period</b>  |      | <b>111,021</b>   | <b>116,686</b>  |
| <b>Other comprehensive income</b>   |      |                  |                 |
| Items that may be reclassified to profit or loss:   |      |                  |                 |
| – Exchange differences on translation of foreign operations   |      | 7,015            | 3,763           |
| – Gains and losses on cash flow hedges  |      | 493              | -               |
| Items that will not be reclassified to profit or loss:  |      |                  |                 |
| – Change in value of equity investments at fair value through other comprehensive income                      | 21   | 11,259           | (547)           |
| – Income tax impact on change in value of equity investments at fair value through other comprehensive income |      | (1,169)          | 139             |
| – Remeasurements of post-employment benefit obligations   |      | (2,717)          | (221)           |
| – Income tax impact on remeasurements of post-employment benefit obligations                                  |      | 260              | (27)            |
| <b>Other comprehensive income for the period, net of tax</b>  |      | <b>15,141</b>    | <b>3,107</b>    |
| <b>Total comprehensive income for the period</b>  |      | <b>126,162</b>   | <b>119,793</b>  |
| <b>Comprehensive income attributable to:</b>  |      |                  |                 |
| – Owners of the parent  |      | 124,447          | 118,861         |
| – Non-controlling interests   |      | 1,715            | 932             |

(a) See Note 5.2 for details regarding the restatement of comparative interim period figures

The above Condensed Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Balance Sheet

| <i>In thousands of euros</i>                                      | Note | As at 30 June<br>2019 | As at 31 December<br>2018 |
|---|------|-----------------------|---------------------------|
|   |      | unaudited             | audited                   |
| <b>Assets</b>   |      |                       |                           |
| <b>Non-current assets</b>   |      |                       |                           |
| Property, plant and equipment                                     |      | 46,933                | 38,884                    |
| Right-of-use assets   | 5    | 54,933                | -                         |
| Goodwill and other intangible assets                              | 16   | 1,413,190             | 705,636                   |
| Deferred tax assets   |      | 28,226                | 20,932                    |
| Investments in associates and joint ventures                      |      | 76,436                | 72,685                    |
| Financial assets at fair value through other comprehensive income | 21   | 196,336               | 220,100                   |
| Financial assets at amortised cost                                | 21   | 7,265                 | 7,021                     |
| Other non-current assets  |      | 1,675                 | 812                       |
| <b>Total non-current assets</b>                                   |      | <b>1,824,994</b>      | <b>1,066,070</b>          |
| <b>Current assets</b>   |      |                       |                           |
| Trade and other receivables                                       |      | 116,697               | 101,082                   |
| Other current assets  |      | 15,711                | 9,240                     |
| Income tax receivables  |      | 4,856                 | 2,532                     |
| Derivative financial instruments                                  | 21   | 22,957                | 7,361                     |
| Other current financial assets                                    | 21   | 24,771                | 14,160                    |
| Cash and cash equivalents   |      | 324,305               | 398,018                   |
| <b>Total current assets</b>                                       |      | <b>509,297</b>        | <b>532,393</b>            |
| <b>Total assets</b>   |      | <b>2,334,291</b>      | <b>1,598,463</b>          |
| <b>Equity and liabilities</b>                                     |      |                       |                           |
| <b>Equity</b>   |      |                       |                           |
| Issued capital  | 17   | 112,000               | 112,000                   |
| Share premium   |      | 116,560               | 116,560                   |
| Reserve own shares  |      | (17,063)              | (17,816)                  |
| Retained earnings   |      | 515,325               | 509,483                   |
| Other reserves  |      | 84,693                | 70,866                    |
| <b>Shareholders' equity</b>                                       |      | <b>811,515</b>        | <b>791,093</b>            |
| Non-controlling interests   |      | 28,879                | 11,231                    |
| <b>Total equity</b>   |      | <b>840,394</b>        | <b>802,324</b>            |
| <b>Non-current liabilities</b>                                    |      |                       |                           |
| Borrowings  | 19   | 1,053,637             | 504,940                   |
| Lease liabilities   | 5    | 45,095                | -                         |
| Other non-current financial liabilities                           | 21   | -                     | 17,400                    |
| Deferred tax liabilities  |      | 24,488                | 21,429                    |
| Post-employment benefits  |      | 30,467                | 10,666                    |
| Contract liabilities  |      | 43,729                | 41,461                    |
| Provisions  |      | 8,739                 | 5,994                     |
| <b>Total non-current liabilities</b>                              |      | <b>1,206,155</b>      | <b>601,890</b>            |
| <b>Current liabilities</b>  |      |                       |                           |
| Borrowings  | 19   | 53,683                | 3,745                     |
| Lease liabilities   | 5    | 13,328                | -                         |
| Other current financial liabilities                               | 21   | 17,400                | 6,986                     |
| Derivative financial instruments                                  |      | -                     | 85                        |
| Current income tax liabilities                                    |      | 16,495                | 11,240                    |
| Trade and other payables  |      | 97,911                | 115,332                   |
| Contract liabilities  |      | 88,799                | 55,487                    |
| Provisions  |      | 126                   | 1,374                     |
| <b>Total current liabilities</b>                                  |      | <b>287,742</b>        | <b>194,249</b>            |
| <b>Total equity and liabilities</b>                               |      | <b>2,334,291</b>      | <b>1,598,463</b>          |

The above Condensed Interim Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

## Condensed Interim Consolidated Statement of Cash Flows

| <i>In thousands of euros</i>  | Note | Six months ended |                           |
|---|------|------------------|---------------------------|
|   |      | 30 June<br>2019  | 30 June<br>2018           |
|   |      | unaudited        | unaudited<br>Restated (a) |
| <b>Profit before income tax</b>   |      | <b>158,547</b>   | <b>167,051</b>            |
| <b>Adjustments for:</b>   |      |                  |                           |
| • Depreciation and amortisation   | 10   | 17,745           | 10,811                    |
| • Share based payments  | 9    | 2,479            | 1,479                     |
| • Share of profit from associates and joint ventures, and impairments thereof |      | (3,450)          | (2,599)                   |
| • Changes in working capital and provisions                                   |      | (26,248)         | (27,051)                  |
| <b>Cash flow from operating activities</b>                                    |      | <b>149,073</b>   | <b>149,691</b>            |
| Income tax paid   |      | (50,032)         | (52,352)                  |
| <b>Net cash generated by operating activities</b>                             |      | <b>99,041</b>    | <b>97,339</b>             |
| <b>Cash flow from investing activities</b>                                    |      |                  |                           |
| Acquisition of associates and joint ventures                                  |      | (5,000)          | (853)                     |
| Acquisition of subsidiaries, net of cash acquired                             |      | (565,595)        | (148,562)                 |
| Purchase of financial assets at FVOCI   |      | (22,091)         | -                         |
| Purchase of other current financial assets                                    |      | (4,689)          | -                         |
| Redemption of other current financial assets                                  |      | 4,300            | 14,380                    |
| Purchase of property, plant and equipment                                     |      | (6,832)          | (3,943)                   |
| Purchase of intangible assets   | 16   | (4,967)          | (6,139)                   |
| Dividends received from equity investments                                    |      | -                | 4,336                     |
| Dividends received from associates  |      | 5,097            | 4,884                     |
| Proceeds from sale of property, plant and equipment and intangible assets     |      | 32               | 134                       |
| <b>Net cash (used in) investing activities</b>                                |      | <b>(599,745)</b> | <b>(135,763)</b>          |
| <b>Cash flow from financing activities</b>                                    |      |                  |                           |
| Proceeds from borrowings, net of transaction fees                             | 19   | 538,925          | 496,595                   |
| Repayment of borrowings, net of transaction fees                              |      | -                | (165,000)                 |
| Interest paid   |      | (5,553)          | (494)                     |
| Interest received   |      | 4,841            | 138                       |
| Dividends paid to the company's shareholders                                  | 17   | (107,239)        | (120,441)                 |
| Dividends paid to non-controlling interests                                   |      | (1,260)          | (1,600)                   |
| Payment of lease liabilities  | 5    | (4,120)          | -                         |
| Transactions in own shares  | 17   | 753              | (6,031)                   |
| Employee Share transactions   |      | (20)             | (204)                     |
| <b>Net cash (used in) financing activities</b>                                |      | <b>426,327</b>   | <b>202,963</b>            |
| <b>Net (decrease)/increase in cash and cash equivalents</b>                   |      | <b>(74,377)</b>  | <b>164,539</b>            |
| Cash and cash equivalents - Beginning of the period                           |      | 398,018          | 187,785                   |
| Non-cash exchange (losses)/gains on cash and cash equivalents                 |      | 664              | 315                       |
| <b>Cash and cash equivalents - End of the period</b>                          |      | <b>324,305</b>   | <b>352,639</b>            |

(a) See Note 5.2 for details regarding the restatement of comparative interim period figures

The above Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



## Condensed Interim Consolidated Statement of Changes in Equity

| <i>In thousands of euros</i>                           | Note | Other reserves |                |                    |                   |                              |   |  |                         |                      |                            |                           | Total equity   |           |
|--|------|----------------|----------------|--------------------|-------------------|------------------------------|---|--|-------------------------|----------------------|----------------------------|---------------------------|----------------|-----------|
|  |      | Issued capital | Share premium  | Reserve own shares | Retained Earnings | Currency translation reserve | Fair value reserve of financial assets at FVOCI | Change in value of available-for-sale financial assets | Cash flow hedge reserve | Total other reserves | Total Shareholders' equity | Non-controlling interests |                |           |
| <b>Balance as at 31 December 2017</b>                  |      | <b>112,000</b> | <b>116,560</b> | <b>(17,269)</b>    | <b>468,882</b>    | <b>(2,549)</b>               | -   | <b>37,645</b>  | -                       | <b>35,096</b>        | <b>715,269</b>             | <b>14,211</b>             | <b>729,480</b> | audited   |
| Change in accounting policy                            | 5.2  | -              | -              | -                  | (50,297)          | -                            | 37,645  | (37,645)   | -                       | -                    | (50,297)                   | -                         | (50,297)       |           |
| <b>Restated total equity at 1 January 2018</b>         |      | <b>112,000</b> | <b>116,560</b> | <b>(17,269)</b>    | <b>418,585</b>    | <b>(2,549)</b>               | <b>37,645</b>                                   | -  | -                       | <b>35,096</b>        | <b>664,972</b>             | <b>14,211</b>             | <b>679,183</b> |           |
| Profit for the period                                  |      | -              | -              | -                  | 115,894           | -                            | -   | -  | -                       | -                    | 115,894                    | 792                       | 116,686        |           |
| Other comprehensive income for the period              |      | -              | -              | -                  | (248)             | 3,623                        | (408)   | -  | -                       | 3,215                | 2,967                      | 140                       | 3,107          |           |
| <b>Total comprehensive income for the period</b>       |      | -              | -              | -                  | <b>115,646</b>    | <b>3,623</b>                 | <b>(408)</b>                                    | -  | -                       | <b>3,215</b>         | <b>118,861</b>             | <b>932</b>                | <b>119,793</b> |           |
| Share based payments                                   |      | -              | -              | -                  | 1,479             | -                            | -   | -  | -                       | -                    | 1,479                      | -                         | 1,479          |           |
| Dividends paid   |      | -              | -              | -                  | (120,441)         | -                            | -   | -  | -                       | -                    | (120,441)                  | (1,600)                   | (122,041)      |           |
| Transactions in own shares                             |      | -              | -              | (6,031)            | -                 | -                            | -   | -  | -                       | -                    | (6,031)                    | -                         | (6,031)        |           |
| Non-controlling interests on acquisition of subsidiary |      | -              | -              | -                  | -                 | -                            | -   | -  | -                       | -                    | -                          | 38                        | 38             |           |
| Other movements  |      | -              | -              | 398                | (647)             | -                            | -   | -  | -                       | -                    | (249)                      | -                         | (249)          |           |
| <b>Balance as at 30 June 2018</b>                      |      | <b>112,000</b> | <b>116,560</b> | <b>(22,902)</b>    | <b>414,622</b>    | <b>1,074</b>                 | <b>37,237</b>                                   | -  | -                       | <b>38,311</b>        | <b>658,591</b>             | <b>13,581</b>             | <b>672,172</b> | unaudited |
| <b>Balance as at 31 December 2018</b>                  |      | <b>112,000</b> | <b>116,560</b> | <b>(17,816)</b>    | <b>509,483</b>    | <b>3,351</b>                 | <b>67,515</b>                                   | -  | -                       | <b>70,866</b>        | <b>791,093</b>             | <b>11,231</b>             | <b>802,324</b> | audited   |
| Profit for the period                                  |      | -              | -              | -                  | 109,480           | -                            | -   | -  | -                       | -                    | 109,480                    | 1,541                     | 111,021        |           |
| Other comprehensive income for the period              |      | -              | -              | -                  | (2,457)           | 6,841                        | 10,090  | -  | 493                     | 17,424               | 14,967                     | 174                       | 15,141         |           |
| <b>Total comprehensive income for the period</b>       |      | -              | -              | -                  | <b>107,023</b>    | <b>6,841</b>                 | <b>10,090</b>                                   | -  | <b>493</b>              | <b>17,424</b>        | <b>124,447</b>             | <b>1,715</b>              | <b>126,162</b> |           |
| Transfer of revaluation result to retained earnings    | 21   | -              | -              | -                  | 3,597             | -                            | (3,597)   | -  | -                       | (3,597)              | -                          | -                         | -              |           |
| Share based payments                                   |      | -              | -              | -                  | 2,461             | -                            | -   | -  | -                       | -                    | 2,461                      | -                         | 2,461          |           |
| Dividends paid   |      | -              | -              | -                  | (107,239)         | -                            | -   | -  | -                       | -                    | (107,239)                  | (1,260)                   | (108,499)      |           |
| Transactions in own shares                             |      | -              | -              | 753                | -                 | -                            | -   | -  | -                       | -                    | 753                        | -                         | 753            |           |
| Non-controlling interests on acquisition of subsidiary |      | -              | -              | -                  | -                 | -                            | -   | -  | -                       | -                    | -                          | 17,193                    | 17,193         |           |
| <b>Balance as at 30 June 2019</b>                      |      | <b>112,000</b> | <b>116,560</b> | <b>(17,063)</b>    | <b>515,325</b>    | <b>10,192</b>                | <b>74,008</b>                                   | -  | <b>493</b>              | <b>84,693</b>        | <b>811,515</b>             | <b>28,879</b>             | <b>840,394</b> | unaudited |

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Notes to the Condensed Interim Consolidated Financial Statements

## 1. General information

Euronext N.V. (“the Group” or “the Company”) is a public limited liability company incorporated and domiciled at Beursplein 5, 1012 JW Amsterdam in the Netherlands and is listed on all Continental Euronext local markets i.e. Euronext Amsterdam, Euronext Brussels, Euronext Lisbon and Euronext Paris.

The Group operates securities and derivatives exchanges in Continental Europe, Ireland and Norway. It offers a full range of exchange- and corporate services, including security listings, cash and derivatives trading, and market data dissemination. It combines the Amsterdam, Brussels, Dublin, Lisbon, Oslo and Paris exchanges in a highly integrated, cross-border organisation.

The Group also has a securities exchange in London (Euronext London Ltd.), operates Interbolsa S.A. and Verdipapirsentralen ASA (“VPS”) (respectively the Portuguese and the Norwegian national Central Securities Depositories (“CSD”)) and has a majority stake in Euronext FX Inc., a US-based Electronic Communication Network in the spot foreign exchange market. The Group’s in-house IT function supports its exchange operations. In addition, the Group provides software licenses as well as IT development and operation and maintenance services to third-party exchanges.

These Condensed Interim Consolidated Financial Statements were authorised for issuance by Euronext N.V.’s Supervisory Board on 31 July 2019.

## 2. Significant events and transactions

The following significant events and transactions have occurred during the six-months period ended 30 June 2019:

### Acquisition of Oslo Børs VPS

As per 31 December 2018, the Group owned 5.1% of the shares and voting rights in Oslo Børs VPS, the Norwegian Stock Exchange and national CSD operator, which increased to 8.3% through direct share acquisitions during the period before obtaining a controlling stake on 14 June 2019. On that date, the Group acquired an additional interest in the voting shares of Oslo Børs VPS, increasing its ownership to 97.8%.

The total purchase consideration of the transaction amounted to €693.4 million (see Note 7).

### Investment in Tokeny Solutions

On 28 June 2019, the Group acquired a 23.5% stake in Tokeny Solutions, a tokenization platform that provides users end-to-end solutions to issue, manage and transfer tokenized securities on public blockchain. The Group recognised the consideration of €5.0 million as an investment in associate.

### Bond issue

On 4 June 2019, the Group launched a €500.0 million, 10-year Bond issue, rated “A-” by S&P, with an annual coupon of 1.125% and listed on Euronext Dublin. The proceeds of the issue will be used to (i) finance the acquisition of Oslo Børs VPS and (ii) for general corporate purposes in line with the Group’s strategy (see Note 19).

### Amendment to the Revolving Credit Facility (“RCF”)

On 8 April 2019, the Group signed a supplemental agreement with nine banks aiming to amend the €250 million RCF originally dated 12 April 2017. This new agreement enabled the Group to increase the RCF to €400.0 million and set a new maturity of 5 years plus a two-year extension possibility. As per 30 June 2019, €45.0 million was drawn under the revolving credit facility (see Note 19).

### Long-term incentive plan 2019 (“LTI 2019”)

On 17 May 2019, a Long-Term Incentive plan (“LTI 2019”) was established under the revised Remuneration Policy that was approved by the AGM on 6 May 2015. The LTI cliff vests after 3 years whereby performance criteria will impact the actual number of shares at vesting date. The share price for this grant at grant date was €63.70 and 132,053 RSU’s were granted. The total share based payment expense at the vesting date in 2022 is estimated to be €8.5 million. Compensation expense recorded for this LTI 2019 plan amounted to €0.2 million in the first half-year of 2019.

## 3. Basis of preparation, significant accounting policies and judgments

### Basis of preparation

The Group has prepared these Condensed Interim Consolidated Financial Statements in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These Condensed Interim Consolidated Financial Statements should be read in conjunction with the Group’s Consolidated Financial Statements as of and for the fiscal year ended 31 December 2018, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”).

### Significant accounting policies and judgments

The principal accounting policies and critical accounting estimates and judgments applied in the preparation of these Condensed Interim Consolidated Financial Statements are the same as those described in the Consolidated Financial Statements as of and for the year ended 31 December 2018, except for (i) taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction, and (ii) the adoption of new and amended standards effective as of 1 January 2019, which are set out below.

### New IFRS standards, amendments and interpretations

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standard:

- IFRS 16 'Leases'

The impact of the adoption of this standard and the new accounting policies are disclosed in Note 5 'Changes in accounting policies'.

The following other amendments and interpretations also apply for the first time in 2019, but did not have a material impact on the Group's Condensed Interim Consolidated Financial Statements:

- IFRIC Interpretation 23 'Uncertainty over Income Tax Treatment'
- Amendments to IFRS 9 'Prepayment Features with Negative Compensation'
- Amendments to IAS 19 'Plan Amendment, Curtailment or Settlement'
- Amendments to IAS 28 'Long-term interests in associates and joint ventures'
- Annual Improvements 2015-2017 Cycle:
  - Amendments to IFRS 3 'Business Combinations'
  - Amendments to IFRS 11 'Joint Arrangements'
  - Amendments to IAS 12 'Income Taxes'
  - Amendments to IAS 23 'Borrowing Costs'

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

### Impact of standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2019, which the Group has not applied in preparing these Condensed Interim Consolidated Financial Statements.

In the Consolidated Financial Statements of the Group as of and for the year ended 31 December 2018, the (potential) impact of these new standards and amendments were mentioned. No updates on these new standards and amendments are to be reported in these Condensed Interim Consolidated Financial Statements.

## 4. Segment information

Segments are reported in a manner consistent with how the business is operated and reviewed by the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker of the Group is the Managing Board. The organisation of the Group reflects the high level of mutualisation of resources across geographies and product lines. Operating results are monitored on a group-wide basis and, accordingly, the Group represents one operating

segment and one reportable segment. Operating results reported to the Managing Board are prepared on a measurement basis consistent with the reported Condensed Interim Consolidated Statement of Profit or Loss.

## 5. Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 'Leases' on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2019, where they are different to those applied in prior periods. This note also explains the restatement of comparative interim period figures, following changes in accounting policies that occurred after mid-year 2018.

### 5.1 IFRS 16 'Leases'

IFRS 16 supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease' and other interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting has been taken over almost identically from IAS 17 into IFRS 16.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adopting IFRS 16 as at 1 January 2019 (increase/(decrease)) is as follows:

| <i>In thousands of euros</i>   | Increase /<br>(decrease) |
|--------------------------------|--------------------------|
| <b>Assets</b>                  |                          |
| Right-of-use assets            | 54,252                   |
| <b>Total assets</b>            | <b>54,252</b>            |
| <b>Non-current liabilities</b> |                          |
| Lease liabilities              | 45,125                   |
| Other Provisions               | 1,919                    |
| <b>Current liabilities</b>     |                          |
| Lease liabilities              | 11,092                   |
| Trade and other payables       | (3,885)                  |
| <b>Total liabilities</b>       | <b>54,252</b>            |
| <b>Equity</b>                  | <b>-</b>                 |

#### 5.1.1 Nature of the effect of adopting IFRS 16

The Group's lease-portfolio comprises leases of office buildings in the various locations from which the Group operates its business, leases of IT -and other equipment for use by staff in its offices and leases of hardware IT equipment such as data servers, racks and mainframes used to operate the Euronext data centre in Basildon and the settlement & custody business of Interbolsa.

These leases were generally classified as operating leases by the Group under previous standards. Until the 2018 financial year, payments made for those leases were charged to profit or loss on a straight line basis over the period of the lease. Upon adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities for those leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised, any initial direct costs and an estimation of costs to be incurred in dismantling or removing the underlying asset. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 1.0%.

The Group also used the following practical expedients permitted by the standard at the date of initial application:

- Use of a single discount rate to a portfolio of leases with reasonably similar characteristics.
- An impairment review is not performed. Instead, a right-of-use asset is adjusted by the amount of any provision for onerous leases recognised in the Balance Sheet at 31 December 2018.
- Regardless of their original lease term, leases for which the lease term ends latest on 31 December 2019 are recognised as short-term leases.
- At the date of initial application, the measurement of a right-of-use asset excludes the initial direct costs.
- Hindsight is considered when determining the lease term if the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 January 2019:

- Right-of-use assets of €54.3 million were recognised and presented separately in the Balance Sheet.
- Non-current lease liabilities of €45.1 million and current lease liabilities of €11.1 million were recognised and presented separately in the Balance Sheet.
- Trade and other payables of €3.8 million related to previous operating leases were derecognised.
- Provisions of €1.9 million, related to estimated future dismantling or removing costs, were recognised under non-current other provisions. This includes a transfer of the provision for dismantling

costs of €0.7 million, previously recognised under current other provisions.

The net impact on retained earnings on 1 January 2019 was considered not material.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

*In thousands of euros*

| <b>Operating lease commitments disclosed as at 31 December 2018</b>                  | <b>74,488</b> |
|--|---------------|
| Contracts related to leases of intangible assets or reassessed as service agreements | (17,799)      |
| Additional leases identified as per 1 January 2019                                   | 2,083         |
| Exemptions for short-term leases   | (198)         |
| Exemptions for leases of low-value assets  | (1,103)       |
| Other reconciling impacts  | 337           |
| Discounted effect using the incremental borrowing rate at 1 January 2019             | (1,591)       |
| <b>Lease liabilities recognised as at 1 January 2019</b>                             | <b>56,217</b> |
| Of which are:  |               |
| Non-current lease liabilities  | 45,125        |
| Current lease liabilities  | 11,092        |

### 5.1.2 Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application.

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost less any accumulated depreciation and if necessary any accumulated impairment. The cost of a right-of-use asset comprise the present value of the outstanding lease payments, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and an estimate of costs to be incurred in dismantling or removing the underlying asset. If the lease transfers ownership of the underlying asset to the lessee at the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the right-of-use asset is depreciated to the end of the useful life of the underlying asset. Otherwise the right-of-use asset is depreciated to the end of the lease term.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments for penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In this context, the Group also applies the practical expedient that the payments for non-lease components are generally recognised as lease payments. In calculating the present value of lease payments, the Group uses the incremental borrowing

rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office IT equipment and other staff equipment that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### Significant judgement in determining the lease term of contracts with extension and termination options

In determining the lease term when contracts contain extension and termination options, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### 5.1.3 Amounts recognised in Balance Sheet and Profit or Loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

| In thousands of euros      | Right-of-use asset |              |               | Lease liabilities |
|----------------------------|--------------------|--------------|---------------|-------------------|
|                            | Building           | Equipment    | Total         |                   |
| <b>At 1 January 2019</b>   | <b>52,066</b>      | <b>2,186</b> | <b>54,252</b> | <b>56,217</b>     |
| Additions                  | -                  | -            | -             | -                 |
| Acquisition of subsidiary  | 5,922              | -            | 5,922         | 5,980             |
| Depreciation charge        | (4,969)            | (451)        | (5,420)       | -                 |
| Interest expense           | -                  | -            | -             | 271               |
| Payments                   | -                  | -            | -             | (4,120)           |
| Exchange impacts and other | 179                | -            | 179           | 75                |
| <b>At 30 June 2019</b>     | <b>53,198</b>      | <b>1,735</b> | <b>54,933</b> | <b>58,423</b>     |

The recognised rent expenses from short-term leases and leases of low-value assets are considered not material to the Group for the six months ended 30 June 2019.

#### 5.2 Restatement of comparative interim period figures

In its Interim Financial Statements of 30 June 2018, the Group reported that pending the outcome of the IFRS 15 'Revenue from Contracts with Customers' IFRIC discussion around the topic 'whether a stock exchange provides an admission service that is distinct from the ongoing listing', it considered its listing services consisting of two distinct performance obligations: admission services and ongoing listing services, with respectively a point in time and an over-time revenue recognition.

On 16 January 2019, the IFRIC published an agenda decision that admission services are not distinct performance obligations, as these are considered activities performed by the Group at or near contract inception and are required to successfully transfer the goods or services for which the customer has contracted i.e. the service of being listed on the exchange. Following the conclusion of the IFRIC, the Group has changed its accounting policy, as described in the Consolidated Financial Statements as of and for the year ended 31 December 2018, with retrospective effect as from 1 January 2018.

This resulted in restatement of the comparative figures within the following line items:

| In thousands of euros (except per share data)              | Six months ended      |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
|  | Reported 30 June 2018 | Increase / (decrease) | Restated 30 June 2018 |
| <b>Interim Statement of Profit or Loss (extract)</b>       |                       |                       |                       |
| Revenue  | 303,983               | 2,824                 | 306,807               |
| <b>Profit before income tax</b>                            | <b>164,227</b>        | <b>2,824</b>          | <b>167,051</b>        |
| Income tax expense   | (49,484)              | (881)                 | (50,365)              |
| <b>Profit for the period</b>                               | <b>114,743</b>        | <b>1,943</b>          | <b>116,686</b>        |
| <b>Profit attributable to:</b>                             |                       |                       |                       |
| - Owners of the parent                                     | 113,951               | 1,943                 | 115,894               |
| - Non-controlling interests                                | 792                   | -                     | 792                   |
| <b>Basic earnings per share</b>                            | <b>1.64</b>           | <b>0.03</b>           | <b>1.67</b>           |
| <b>Diluted earnings per share</b>                          | <b>1.63</b>           | <b>0.03</b>           | <b>1.66</b>           |
| <b>Interim Statement of Comprehensive Income (extract)</b> |                       |                       |                       |
| <b>Profit for the period</b>                               | <b>114,743</b>        | <b>1,943</b>          | <b>116,686</b>        |
| <b>Total comprehensive income for the period</b>           | <b>117,850</b>        | <b>1,943</b>          | <b>119,793</b>        |
| <b>Comprehensive income attributable to:</b>               |                       |                       |                       |
| - Owners of the parent                                     | 116,918               | 1,943                 | 118,861               |
| - Non-controlling interests                                | 932                   | -                     | 932                   |
| <b>Interim Statement of Cash Flows (extract)</b>           |                       |                       |                       |
| <b>Profit before income tax</b>                            | <b>164,227</b>        | <b>2,824</b>          | <b>167,051</b>        |
| <b>Adjustments for:</b>                                    |                       |                       |                       |
| * Changes in working capital and provisions                | (19,891)              | (7,160)               | (27,051)              |
| <b>Cash flow from operating activities</b>                 | <b>154,027</b>        | <b>(4,336)</b>        | <b>149,691</b>        |
| <b>Net cash generated by operating activities</b>          | <b>101,675</b>        | <b>(4,336)</b>        | <b>97,339</b>         |
| <b>Cash flow from investing activities</b>                 |                       |                       |                       |
| Dividends received from equity investments                 | -                     | 4,336                 | 4,336                 |
| <b>Net cash (used in) investing activities</b>             | <b>(140,099)</b>      | <b>4,336</b>          | <b>(135,763)</b>      |

In addition to the restated lines presented above, the Group's Shareholders' equity was negatively impacted by €50.3 million as per 1 January 2018, following the change in accounting policy. This is reflected in the comparative Condensed Interim Consolidated Statement of Changes in Equity.

Finally, and also reflected in the table above, *dividends received from equity investments* were transferred from cash flows from operating activities to cash flows from investing activities in the comparative interim statement of cash flows. This transfer was done to better reflect the nature of those cash flows.

## 6. Group information

The following table provides an overview of the Group's subsidiaries, associates, joint ventures and non-current investments:

| Subsidiaries                            | Domicile        | Ownership          |                        |
|---|-----------------|--------------------|------------------------|
|   |                 | As at 30 June 2019 | As at 31 December 2018 |
| Enternext S.A.                          | France          | 100.00%            | 100.00%                |
| Euronext Amsterdam N.V.                 | The Netherlands | 100.00%            | 100.00%                |
| Euronext Brussels S.A./N.V.             | Belgium         | 100.00%            | 100.00%                |
| Euronext IP & IT Holding B.V.           | The Netherlands | 100.00%            | 100.00%                |
| Euronext Hong Kong Limited              | Hong Kong       | 100.00%            | 100.00%                |
| Euronext Lisbon S.A. (a)                | Portugal        | 100.00%            | 100.00%                |
| Euronext London Ltd.                    | United Kingdom  | 100.00%            | 100.00%                |
| Euronext Paris S.A.                     | France          | 100.00%            | 100.00%                |
| Euronext Technologies S.A.S.            | France          | 100.00%            | 100.00%                |
| Euronext Technologies Unipessoal Lda.   | Portugal        | 100.00%            | 100.00%                |
| Interbolsa S.A. (b)                     | Portugal        | 100.00%            | 100.00%                |
| The Irish Stock Exchange Plc. (c)       | Ireland         | 100.00%            | 100.00%                |
| ISE Old Co. Ltd.                        | Ireland         | 100.00%            | 100.00%                |
| Irish Stock Exchange Services Ltd.      | Ireland         | 100.00%            | 100.00%                |
| European Wholesale Markets Ltd.         | Malta           | 80.00%             | 80.00%                 |
| Euronext Corporate Services B.V.        | The Netherlands | 100.00%            | 100.00%                |
| Company Webcast B.V.                    | The Netherlands | 51.00%             | 51.00%                 |
| iBabs B.V.                              | The Netherlands | 60.00%             | 60.00%                 |
| MSI Services B.V.                       | The Netherlands | 60.00%             | 60.00%                 |
| IR Soft Ltd.                            | United Kingdom  | 100.00%            | 100.00%                |
| InsiderLog AB                           | Sweden          | 80.00%             | 80.00%                 |
| Euronext US Inc.                        | United States   | 100.00%            | 100.00%                |
| Euronext Synapse LLC                    | United States   | 100.00%            | 100.00%                |
| Euronext Markets Americas LLC (d)       | United States   | 100.00%            | 0.00%                  |
| Euronext FX Inc. (e)                    | United States   | 97.30%             | 97.30%                 |
| Euronext Markets Singapore Pte Ltd. (f) | Singapore       | 97.30%             | 97.30%                 |
| Euronext UK Holdings Ltd.               | United Kingdom  | 100.00%            | 100.00%                |
| Commcise Software Ltd.                  | United Kingdom  | 78.00%             | 78.00%                 |
| Commcise India Pltd.                    | India           | 78.00%             | 78.00%                 |
| Oslo Børs VPS Holding ASA (g)           | Norway          | 97.80%             | 0.00%                  |
| Oslo Børs ASA (g)                       | Norway          | 97.80%             | 0.00%                  |
| Verdipapirsentralen ASA ("VPS") (g)     | Norway          | 97.80%             | 0.00%                  |
| Oslo Market Solutions AS (g)            | Norway          | 97.80%             | 0.00%                  |
| Fish Pool ASA (g)                       | Norway          | 97.00%             | 0.00%                  |
| Centevo AB (g)                          | Sweden          | 97.80%             | 0.00%                  |
| NOTC AS (g)                             | Norway          | 97.80%             | 0.00%                  |
| Stichting Euronext Foundation (h)       | The Netherlands | 0.00%              | 0.00%                  |
| <b>Associates</b>                       |                 |                    |                        |
| Tredzone S.A.S.                         | France          | 34.04%             | 34.04%                 |
| European Central Counterparty N.V.      | The Netherlands | 20.00%             | 20.00%                 |
| LCH SA                                  | France          | 11.10%             | 11.10%                 |
| Tokeny Solutions (i)                    | Luxembourg      | 23.50%             | 0.00%                  |
| <b>Joint Ventures</b>                   |                 |                    |                        |
| Algonext Ltd.                           | United Kingdom  | 50.00%             | 50.00%                 |
| LiquidShare S.A.                        | France          | 13.57%             | 13.57%                 |
| FinansNett Norge (g)                    | Norway          | 50.00%             | 0.00%                  |
| <b>Non-current investments</b>          |                 |                    |                        |
| Sicovam Holding S.A.                    | France          | 9.60%              | 9.60%                  |
| Euroclear plc.                          | United Kingdom  | 3.53%              | 3.53%                  |
| Oslo Børs VPS Holding ASA (g)           | Norway          | 0.00%              | 5.10%                  |
| Algomi Ltd.                             | United Kingdom  | 7.74%              | 7.74%                  |

(a) Legal name of Euronext Lisbon S.A. is Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

(b) Legal name of Interbolsa S.A. is Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.

(c) The Irish Stock Exchange plc. operates under the business name Euronext Dublin.

(d) Euronext Markets Americas LLC was incorporated on 18 April 2019.

(e) On 16 April 2019, the legal entity FastMatch Inc. became Euronext FX Inc.

(f) On 16 April 2019, the legal entity FastMatch Asia Markets Pte. Ltd. became Euronext Markets Singapore Pte. Ltd.

(g) As from 14 June 2019, the Group owns a majority of the voting shares of Oslo Børs VPS Holding ASA and its related interests (see Note 7). Consequently, this changed the nature of the Group's previous interest in Oslo Børs VPS Holding ASA from non-current investment to fully consolidated subsidiary.

(h) Stichting Euronext Foundation is not owned by the Group but included in the scope of consolidation.

(i) On 28 June 2019, the Group acquired a 23.5% stake in Tokeny Solutions (see Note 2).

## 7. Business combinations

The acquisitions that occurred during the six months period ended 30 June 2019 are set out below.

### 7.1 Acquisition of Oslo Børs VPS

On 14 January 2019, the Group launched an all-cash tender offer for the outstanding shares, at NOK 145 per share, in Oslo Børs VPS, the Norwegian Stock Exchange and national CSD operator. On 11 February 2019, the Group revised the offer price to NOK 158.

As per 31 May 2019, the tender offer period expired. On that same day, the Group launched an unconditional offer for the remaining, un-tendered shares at an offer price of NOK 158 plus a fixed interest payment of NOK 3.21 per share.

The shares tendered under the offers launched on 14 January 2019 and 31 May 2019, representing 89.5% of the shares of Oslo Børs VPS, were settled on 14 June 2019. The cash consideration related to the settlement amounted to €636.0 million.

Prior to the acquisition of the majority stake, the Group already owned a 8.3% equity investment in Oslo Børs VPS, which it had purchased through direct share acquisitions. Immediately before obtaining the controlling stake, the equity investment was revaluated to its acquisition-date fair value, amounting to €57.4 million, which is part of the total purchase consideration. The revaluation gain of €3.6 million resulting from remeasurement of the equity investment was recognised in other comprehensive income (see Note 21).

As a consequence of the above, the Group became legal owner of 97.8% of the total issued and outstanding share capital of Oslo Børs VPS on 14 June 2019. The Group measured the remaining 2.2% of non-controlling interest at fair value, i.e. based on the purchase consideration paid to acquire the 89.5% including interest, for a total amount of €15.5 million.

On 30 June 2019, the Group was the legal owner of 97.8% of the issued and outstanding shares of Oslo Børs VPS. At the balance sheet date, the Group was in the process of obtaining the remaining 2.2% of outstanding shares of Oslo Børs VPS, which is further described in Note 24 "Events after the reporting period".

The Group has acquired Oslo Børs VPS to expand the Group's federal model and increase the Group's growth opportunities. Oslo Børs VPS will become the Group's development hub and launchpad for expansion in the Nordics. Oslo will be the headquarters for all of the Group's future activities in the Nordic region and will become its centre of excellence for all activities in commodities across Euronext businesses.

Details of the purchase consideration, the preliminary net assets acquired and goodwill are reflected in the tables below.

Purchase consideration:

| <i>In thousands of euros</i>           | Fair value     |
|--|----------------|
| Cash paid                              | 636,006        |
| Equity investment held pre-acquisition | 57,372         |
| <b>Total purchase consideration</b>    | <b>693,378</b> |

The preliminary purchase price allocation yielded the following results:

| <i>In thousands of euros</i>                 | Preliminary calculation Fair Value (a) |
|--|--|
| <b>Assets</b>                                |  |
| Property, plant and equipment                | 5,010                                  |
| Right-of-use assets                          | 5,922                                  |
| Other intangible assets                      | 1,978                                  |
| Deferred tax assets                          | 7,244                                  |
| Investments in associates and joint ventures | 394                                    |
| Non-current other assets                     | 251                                    |
| Financial assets at FVOCI                    | 255                                    |
| Trade and other receivables                  | 19,501                                 |
| Other current financial assets               | 10,121                                 |
| Cash and cash equivalents                    | 77,741                                 |
| <b>Liabilities</b>                           |  |
| Non-current borrowings                       | (45,956)                               |
| Non-current lease liabilities                | (4,601)                                |
| Deferred tax liabilities                     | (179)                                  |
| Post-employment benefits                     | (16,448)                               |
| Non-current contract liabilities             | (4,614)                                |
| Current borrowings                           | (65)                                   |
| Current lease liabilities                    | (1,379)                                |
| Current income tax liabilities               | (5,442)                                |
| Trade and other payables                     | (15,484)                               |
| Current contract liabilities                 | (22,823)                               |
| <b>Net identifiable assets acquired</b>      | <b>11,426</b>                          |
| Less: non-controlling interest               | (15,527)                               |
| Add: Goodwill                                | 697,479                                |
| <b>Total purchase consideration</b>          | <b>693,378</b>                         |

(a) The valuation of the net identifiable assets acquired had not been completed by the date these interim financial statements were authorised for issuance by Euronext N.V.'s Supervisory Board, as the transaction was closed shortly before the reporting date. It is expected that all line items, except for cash and cash equivalents, may need to be subsequently adjusted, with a corresponding adjustment to Goodwill.

The goodwill is primarily attributable to the expected synergies and other benefits from combining the assets and activities of Oslo Børs VPS, with those of the Group. The goodwill is not deductible for income tax purposes. See Note 16 for the changes in goodwill as a result from the acquisition.

### Acquired receivables

The fair value of trade and other receivables was €19.5 million and included €13.4 million of trade receivables, which is not materially different to the gross contractual amount. As at 30 June 2019, none of the trade receivables have been impaired.

### Revenue and profit contribution

From the date of the acquisition, Oslo Børs VPS has contributed €4.5 million of revenue and €2.0 million of net profit to the Group. If the acquisition would have occurred on 1 January 2019, consolidated revenue for the six months ended 30 June 2019 would have been €365.6 million. As the net profit of Oslo Børs VPS from the date of the acquisition was impacted by cost seasonality effects, it was impracticable to estimate the net profit contribution for the six months ended 30 June 2019.

### Acquisition related costs

Acquisition related costs of €10.1 million have been expensed and are included in exceptional items in profit or loss (see Note 12).

## 7.2 Information on acquisitions in prior periods

On 20 December 2018, the Group acquired 78% of the shares and voting rights of Commcise Software Ltd. ("Commcise").

Details of this business combination were disclosed in Note 5 of the Group's Consolidated Financial Statements for the year ended 31 December 2018, including the preliminary fair value calculation of the transaction.

Following finalisation of the fair value calculation during the first six months of 2019, the adjusted net identifiable assets acquired, non-controlling interest and goodwill are reflected in the table below:

| In thousands of euros                   | Preliminary calculation |              | Final Fair Value |
|---|-------------------------|--------------|------------------|
|   | Fair Value              | Adjustments  |                  |
| <b>Assets</b>                           |                         |              |                  |
| Property, plant and equipment           | 64                      | (30)         | 34               |
| Intangible assets: customer relations   | -                       | 4,033        | 4,033            |
| Intangible assets: software platform    | -                       | 5,779        | 5,779            |
| Non-current financial assets            | 37                      | -            | 37               |
| Current income tax receivables          | -                       | 14           | 14               |
| Trade and other receivables             | 1,290                   | -            | 1,290            |
| Cash and cash equivalents               | 2,570                   | -            | 2,570            |
| <b>Liabilities</b>                      |                         |              |                  |
| Deferred tax liabilities                | (3)                     | (1,867)      | (1,870)          |
| Trade and other payables                | (2,009)                 | (356)        | (2,365)          |
| <b>Net identifiable assets acquired</b> | <b>1,949</b>            | <b>7,574</b> | <b>9,523</b>     |
| Less: non-controlling interest          | (429)                   | (1,666)      | (2,095)          |
| Add: Goodwill                           | 28,606                  | (5,908)      | 22,699           |
| <b>Total purchase consideration</b>     | <b>30,126</b>           | <b>-</b>     | <b>30,126</b>    |



## 8. Revenue and geographical information

### Revenue from contracts with customers

The Group's revenue is not subject to significant seasonality patterns, except that there are generally lower trading volumes and listing admissions in August. Trading volumes are subject to potential volatility.

Substantially all of the Group's revenues are considered to be revenues from contracts with customers.

Set out below is the disaggregation of the Group's revenue from contracts with customers for the six months ended 30 June:

| In thousands of euros                              | Six months ended<br>30 June<br>2019 | Timing of revenue recognition                        |                | Six months ended<br>30 June<br>2018 | Timing of revenue recognition                        |                |
|--|-------------------------------------|--|----------------|-------------------------------------|--|----------------|
|  |                                     | Product or service transferred<br>at a point in time | over time      |                                     | Product or service transferred<br>at a point in time | over time      |
| <b>Major revenue stream</b>                        |                                     |  |                |                                     |  |                |
| Listing  | 57,692                              | 1,666  | 56,026         | 49,202                              | 544  | 48,658         |
| Trading revenue                                    | 131,226                             | 131,226  | -              | 141,850                             | 141,850  | -              |
| <i>of which</i>                                    |                                     |  |                |                                     |  |                |
| Cash trading                                       | 99,035                              | 99,035   | -              | 109,608                             | 109,608  | -              |
| Derivatives trading                                | 20,990                              | 20,989   | -              | 21,448                              | 21,448   | -              |
| FX trading   | 11,201                              | 11,201   | -              | 10,794                              | 10,794   | -              |
| Investor services                                  | 2,313                               | -  | 2,313          | -                                   | -  | -              |
| Advanced data services                             | 61,693                              | -  | 61,693         | 59,053                              | -  | 59,053         |
| Post-trade   | 40,672                              | 29,134   | 11,538         | 38,755                              | 28,870   | 9,885          |
| <i>of which</i>                                    |                                     |  |                |                                     |  |                |
| Clearing   | 27,410                              | 27,410   | -              | 27,652                              | 27,652   | -              |
| Custody & Settlement and other                     | 13,262                              | 1,724  | 11,538         | 11,103                              | 1,218  | 9,885          |
| Euronext Technology solutions & other revenue      | 17,937                              | 322  | 17,615         | 17,823                              | 330  | 17,493         |
| Other income                                       | 85                                  | 85   | -              | 124                                 | 124  | -              |
| <b>Total revenue from contracts with customers</b> | <b>311,618</b>                      | <b>162,432</b>                                       | <b>149,185</b> | <b>306,807</b>                      | <b>171,718</b>                                       | <b>135,089</b> |

### Geographical information

Set out below is the geographical information of the Group's revenue:

| In thousands of euros                 | France  | Netherlands | United Kingdom | Belgium | Portugal | Ireland | United States | Norway | Sweden | Hong Kong | Total   |
|---------------------------------------|---------|-------------|----------------|---------|----------|---------|---------------|--------|--------|-----------|---------|
| <b>Six months ended 30 June 2019</b>  |         |             |                |         |          |         |               |        |        |           |         |
| Revenue from contracts with customers | 159,954 | 82,792      | 2,400          | 16,169  | 16,974   | 16,716  | 11,329        | 4,473  | 790    | 21        | 311,618 |
| <b>Six months ended 30 June 2018</b>  |         |             |                |         |          |         |               |        |        |           |         |
| Revenue from contracts with customers | 165,502 | 86,610      | 138            | 16,876  | 18,042   | 8,362   | 10,851        | -      | 419    | 7         | 306,807 |

Advanced data services revenues are attributed to the country where the exchange is domiciled. Revenues from other categories are attributed to the billing entity.

## 9. Salaries and employee benefits

| In thousands of euros                     | Six months ended |                 |
|---|------------------|-----------------|
|   | 30 June          | 30 June         |
|   | 2019             | 2018            |
| Salaries and other short term benefits    | (47,708)         | (40,258)        |
| Social security contributions             | (14,496)         | (11,638)        |
| Share-based payment costs                 | (2,479)          | (1,479)         |
| Pension cost - defined benefit plans      | (644)            | (670)           |
| Pension cost - defined contribution plans | (1,303)          | (790)           |
| <b>Total</b>                              | <b>(66,630)</b>  | <b>(54,835)</b> |

The first half-year of 2019 includes the full impact from Euronext Dublin and Commcise acquisitions of last year.

## 10. Depreciation and amortization

| In thousands of euros                   | Six months ended |                 |
|---|------------------|-----------------|
|   | 30 June          | 30 June         |
|   | 2019             | 2018            |
| Depreciation of tangible fixed assets   | (3,776)          | (3,569)         |
| Amortisation of intangible fixed assets | (8,549)          | (7,242)         |
| Amortisation of right-of-use assets     | (5,420)          | -               |
| <b>Total</b>                            | <b>(17,745)</b>  | <b>(10,811)</b> |

The adoption of IFRS 16 led to the recognition of amortisation of right-of-use assets.

## 11. Other operational expenses

| In thousands of euros      | Six months ended |                 |
|----------------------------|------------------|-----------------|
|                            | 30 June          | 30 June         |
|                            | 2019             | 2018            |
| Systems and communications | (12,025)         | (12,567)        |
| Professional services      | (15,766)         | (24,534)        |
| Clearing expenses          | (14,649)         | (14,863)        |
| Accommodation              | (2,326)          | (5,200)         |
| Other expenses (a)         | (12,864)         | (15,255)        |
| <b>Total</b>               | <b>(57,630)</b>  | <b>(72,419)</b> |

(a) Other expenses include marketing, taxes, insurance, travel, professional membership fees and other expenses.

Professional services expenses decreased following Optiq® go-live last year and an impact from the adoption of IFRS 16.

## 12. Exceptional items

| In thousands of euros                          | Six months ended |                |
|--|------------------|----------------|
|  | 30 June          | 30 June        |
|  | 2019             | 2018           |
| Restructuring costs                            | (981)            | (6,402)        |
| Acquisition costs                              | (10,148)         | -              |
| Settlement Algomi investment and related items | (1,341)          | -              |
| Onerous contract costs                         | (866)            | -              |
| Impairment w/o intangible assets               | -                | (893)          |
| Other  | (9)              | 119            |
| <b>Total</b>                                   | <b>(13,345)</b>  | <b>(7,176)</b> |

For the six months ended 30 June 2019, the €1.0 million of restructuring costs related to expenses for employee termination benefits in various Euronext locations. Transformational acquisition cost, primarily related to the acquisition of Oslo Børs VPS, amounted to €10.1 million. In addition, €1.3 million of settlement fees and €0.9 million of onerous contract cost were recognised.

For the six months ended 30 June 2018, the €6.4 million of restructuring costs related to expenses for employee termination benefits in various Euronext locations. In addition, €0.9 million of costs related to impaired purchased software were recognised.

## 13. Net financing income / (expense)

| In thousands of euros                             | Six months ended |                |
|---|------------------|----------------|
|   | 30 June          | 30 June        |
|   | 2019             | 2018           |
| Interest expense                                  | (4,708)          | (2,170)        |
| Other finance costs                               | -                | -              |
| <b>Finance costs</b>                              | <b>(4,708)</b>   | <b>(2,170)</b> |
| Interest income (effective interest method)       | 798              | 136            |
| Interest income from interest rate swaps          | 2,471            | 1,014          |
| Hedging result                                    | 207              | (505)          |
| Gain / (loss) on disposal of treasury investments | 243              | 5              |
| Net foreign exchange gain/(loss)                  | (182)            | 70             |
| <b>Other net financing income/(expense)</b>       | <b>3,537</b>     | <b>720</b>     |
| <b>Total</b>                                      | <b>(1,171)</b>   | <b>(1,450)</b> |

The six months period ended 30 June 2019 includes the full half-year impact of both *interest expense* and *interest income from interest rate swaps* resulting from the Bond and Swap arrangements entered into in April 2018.

## 14. Results from equity investments

| In thousands of euros | Six months ended |              |
|-----------------------|------------------|--------------|
|                       | 30 June          | 30 June      |
|                       | 2019             | 2018         |
| Dividend income       | -                | 4,336        |
| <b>Total</b>          | <b>-</b>         | <b>4,336</b> |

The results from equity investment in the comparative period includes dividends received from Euroclear Plc.

## 15. Income tax expense

Income tax expense for the interim period is recognised by reference to management's estimate of the weighted average income tax rate expected for the full fiscal year, with the exception of discrete "one-off" items which are recorded in full in the interim period.

The effective tax rate decreased from 30.1% for the six months ended 30 June 2018 to 30.0% for the six months ended 30 June 2019.

## 16. Goodwill and other intangible assets

The Goodwill and other intangible assets held by the Group increased primarily as a result of the acquisition of Oslo Børs VPS and the adjustments made following fair value calculation finalisation on the acquisition of Commcise. See Note 7 for further information on those acquisitions.

| In thousands of euros                       | Goodwill         | Internally developed software | Purchased softw. Constr. in Pr. Patents & TrMrk | Intangible assets recognised on acquisition of subsidiaries |                    |              | Total            |
|---|------------------|-------------------------------|---|---|--------------------|--------------|------------------|
|   |                  |                               |   | Software  | Customer Relations | Brand Names  |                  |
| <b>As at 31 December 2018</b>               |                  |                               |   |   |                    |              |                  |
| Cost  | 644,299          | 93,503                        | 46,297  | 12,815  | 74,393             | 7,181        | 878,488          |
| Accumulated amortisation and impairment     | (53,341)         | (67,380)                      | (42,183)  | (4,701)   | (5,247)            | -            | (172,852)        |
| <b>Net book amount</b>                      | <b>590,958</b>   | <b>26,123</b>                 | <b>4,114</b>                                    | <b>8,114</b>  | <b>69,146</b>      | <b>7,181</b> | <b>705,636</b>   |
| <b>As at 1 January 2019 net book amount</b> |                  |                               |   |   |                    |              |                  |
| Exchange differences                        | 7,186            | 26                            | 22  | 76  | 289                | 48           | 7,647            |
| Additions                                   | -                | 4,428                         | 539   | -   | -                  | -            | 4,967            |
| Impairment charge and other                 | 165              | (47)                          | 10  | -   | -                  | -            | 128              |
| Acquisitions of subsidiaries                | 691,571          | 1,345                         | 633   | 5,779   | 4,033              | -            | 703,361          |
| Amortisation charge (Note 10)               | -                | (3,223)                       | (785)   | (2,456)   | (2,085)            | -            | (8,549)          |
| <b>As at 30 June 2019 net book amount</b>   | <b>1,289,880</b> | <b>28,652</b>                 | <b>4,533</b>                                    | <b>11,513</b>   | <b>71,383</b>      | <b>7,229</b> | <b>1,413,190</b> |
| <b>As at 30 June 2019</b>                   |                  |                               |   |   |                    |              |                  |
| Cost  | 1,343,221        | 99,301                        | 47,547  | 18,670  | 78,728             | 7,229        | 1,594,696        |
| Accumulated amortisation and impairment     | (53,341)         | (70,649)                      | (43,014)  | (7,157)   | (7,345)            | -            | (181,506)        |
| <b>Net book amount</b>                      | <b>1,289,880</b> | <b>28,652</b>                 | <b>4,533</b>                                    | <b>11,513</b>   | <b>71,383</b>      | <b>7,229</b> | <b>1,413,190</b> |

As there were no indicators for impairment, management has not updated any of the impairment calculations as per 30 June 2019.

## 17. Shareholders' equity

Under the Articles of Association, Euronext's authorised share capital amounts to €200,000,001.60 and is divided into 125,000,000 Ordinary Shares, each with a nominal value of €1.60 per share and one Priority Share with a nominal value of €1.60. All of Euronext's shares have been or will be created under Dutch law.

As of 30 June 2019, Euronext's issued share capital amounts to €112,000,000 and is divided into 70,000,000 Ordinary Shares. The Priority Share is currently not outstanding. The fully paid ordinary shares carry one vote per share and rights to dividends, if declared. The Group's ability to declare dividends is limited to distributable reserves as defined by Dutch law.

### Dividend

On 16 May 2019, the Annual General Meeting of shareholders voted for the adoption of the proposed €1.54 dividend per ordinary share. On 24 May 2019, a dividend of €107.2 million has been paid to the shareholders of Euronext N.V.

## Treasury shares

| Movements in treasury shares during the six-months period | # Shares 2019 | # Shares 2018 | Total Value 2019        | Total Value 2018 |
|---|---------------|---------------|-------------------------|------------------|
|   |               |               | (In thousands of euros) |                  |
| Liquidity contract (a)                                    | (15,724)      | 1,494         | (753)                   | 103              |
| Share Repurchase Program (b)                              | -             | 104,500       | -                       | 5,928            |
| From share-based payments (c)                             | -             | (10,014)      | -                       | (398)            |

(a) The movement in value of €-0.8 million during the first half of 2019, relates to the transactions in Euronext N.V. shares conducted by the liquidity provider on behalf of the Group under the liquidity contract established.

(b) Under the Share Repurchase Program, no shares were repurchased by the Group during the first half of 2019.

(c) No shares were delivered to employees for whom share plans had already vested during the first half of 2019.

## 18. Earnings per Share

### Basic

Earnings per share are computed by dividing profit attributable to the shareholders of the Company by the weighted average number of shares outstanding for the period. The number of weighted average shares used for the basic earnings per share calculation for the six months ended 30 June 2019 was 69,632,688 (30 June 2018: 69,597,722).

### Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the share plans the dilution was determined by the number of shares that could have been acquired at fair value (determined as the average quarterly market price of

Euronext's shares) based on the fair value (measured in accordance with IFRS 2) of any services to be supplied to Euronext in the future under the share plan. The number of weighted average shares used for the diluted earnings per share calculation for the six months ended 30 June 2019 was 69,952,845 (30 June 2018: 69,966,603).

## 19. Borrowings

| <i>In thousands of euros</i>          | Balance at<br>31 December<br>2018 | New issues     | Repayments     | Fair Value<br>adjustment<br>to interest<br>rate hedge | Acquisition<br>of subsidiary | Other<br>movements | Balance at<br>30 June<br>2019 |
|---------------------------------------|-----------------------------------|----------------|----------------|---|------------------------------|--------------------|-------------------------------|
| <b>Non-current</b>                    |                                   |                |                |   |                              |                    |                               |
| Borrowings                            |                                   |                |                |   |                              |                    |                               |
| Senior Unsecured Note #1 (a)          | 507,999                           | -              | -              | 15,227  | -                            | -                  | 523,226                       |
| Senior Unsecured Note #2              | -                                 | 500,000        | -              | -   | -                            | -                  | 500,000                       |
| Bond Loan (Note 7) (b)                | -                                 | -              | -              | -   | 45,956                       | (6,676)            | 39,280                        |
| Discount and issue costs              | (3,405)                           | (6,075)        | -              | -   | -                            | -                  | (9,480)                       |
| Amortisation discount and issue costs | 334                               | -              | -              | -   | -                            | 265                | 599                           |
| Other                                 | 12                                | -              | -              | -   | -                            | -                  | 12                            |
| <b>Total</b>                          | <b>504,940</b>                    | <b>493,925</b> | <b>-</b>       | <b>15,227</b>   | <b>45,956</b>                | <b>(6,411)</b>     | <b>1,053,637</b>              |
| <b>Current</b>                        |                                   |                |                |   |                              |                    |                               |
| Borrowings                            |                                   |                |                |   |                              |                    |                               |
| Revolving Credit Facility             | -                                 | 45,000         | -              | -   | -                            | -                  | 45,000                        |
| Bond Loan (b)                         | -                                 | -              | -              | -   | -                            | 7,114              | 7,114                         |
| Accrued interest                      | 3,745                             | -              | (5,553)        | -   | 65                           | 3,312              | 1,569                         |
| <b>Total</b>                          | <b>3,745</b>                      | <b>45,000</b>  | <b>(5,553)</b> | <b>-</b>  | <b>65</b>                    | <b>10,426</b>      | <b>53,683</b>                 |

(a) The 'Senior Unsecured Note #1' is carried at amortised cost and adjusted for fair value movements due to the hedged interest rate risk.

(b) During the post-acquisition period of Oslo Børs VPS, €7.1 million of the acquired Bond Loan was transferred from non-current to current.

### Bond Issue

On 4 June 2019, the Group launched a €500 million Bond issue (Senior Unsecured Note #2) to (i) pre-finance the outstanding shares of Oslo Børs VPS Holding ASA not already owned by the Group and (ii) for general corporate purposes in line with the Group's strategy.

The Bond has a ten year maturity, with an annual coupon of 1.125%. On 12 June 2019 the Bond, rated "A-" by S&P Global Ratings Limited, was listed on Euronext Dublin.

The Bond issue included €6.1 million of Bond discount and issue costs. These were capitalised and will be amortised over the period of the Bond.

### Revolving Credit Facility ("RCF")

On 8 April 2019, the Group signed a supplemental agreement with nine banks aiming to amend the €250 million RCF originally dated 12 April 2017. This new agreement enabled the Group to increase the RCF to €400.0 million and set a new maturity of 5 years plus a two-year extension possibility.

The revolving credit facility agreement allows the Group to apply all amounts borrowed by it towards (i) general corporate and/or working capital purposes of the Group, (ii)

satisfaction of the consideration payable for an acquisition and/or (iii) the payment of fees, costs and expense incurred in relation to an acquisition.

The revolving credit facility bears an interest rate of EURIBOR plus a margin initially set at 0.25%, which increased to 0.30% on 31 May 2019, based on the "A-" rating. As per 30 June 2019, €45.0 million has been temporarily drawn under the revolving credit facility.

Euronext is required to maintain compliance with a maximum leverage ratio if the credit rating would drop below BBB+. The maximum leverage ratio measures Euronext total gross debt to EBITDA (as such terms are defined in the Facilities Agreement). Euronext is required to maintain a leverage ratio of no more than 3.5x.

## 20. Derivatives financial instruments

### Fair value hedges for interest rate risk

In relation to the 1% fixed-rate €500 million Senior Unsecured Note #1, issued in April 2018, the Group uses interest rate swap agreements (formally designated as fair value hedges) to reduce the variability of the fair value of the Senior Unsecured Note #1 attributable to the change in interest rate,

allowing it to transform the fixed rate exposure to floating rate.

During the six months ended 30 June 2019, the ineffective part of the hedge was a profit of €0.2 million recognised in 'hedging result' in the Consolidated Statement of Profit or Loss. The aggregate fair value of the interest rate swaps as at 30 June 2019 amounted to €22.8 million and is included in 'derivative financial assets' (see Note 21).

*Hedge of net investment in foreign operations*

In relation to its investment in UK subsidiary Commcise Software Ltd. in December 2018, the Group had designated a EUR/GBP foreign exchange contract as a hedge of the investment with a notional amount of £26.7 million, which expired on 21 June 2019.

On 21 June 2019, the Group entered into a new EUR/GBP foreign exchange contract with a notional amount of £27.0 million, which it designated as a hedge of the investment, expiring in six months.

During the six months ended 30 June 2019, a gain of €0.3 million on the translation of this foreign exchange forward contract was transferred to other comprehensive income.

The aggregate fair value of the foreign exchange forward contract as at 30 June 2019 amounted to €0.2 million and is included in 'derivative financial assets' (see note 21).

*Cash flow hedges for currency risk*

During the period, the Group designated forward currency forward contracts as hedges of the purchases of Oslo Børs VPS shares in Norwegian crowns (NOK).

The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecast transactions. As at 30 June 2019, €0.5 million relating to the NOK forward contracts is included in other comprehensive income.

The Group does not hold or issue any derivative instruments for trading or speculative purposes.

## 21. Financial instruments

Set out below are the financial instruments held by the Group as at 30 June 2019 and 31 December 2018.

### 21.1 Financial instruments by category

| In thousands of euros   | As at 30 June 2019 |                          |               |                  |
|---|--------------------|--------------------------|---------------|------------------|
|   | Amortised cost     | FVOCI equity instruments | FVPL          | Total            |
| <b>Financial assets</b>   |                    |                          |               |                  |
| Financial assets at fair value through other comprehensive income | -                  | 196,336                  | -             | 196,336          |
| Financial assets at amortised cost                                | 7,265              | -                        | -             | 7,265            |
| Trade and other receivables                                       | 116,697            | -                        | -             | 116,697          |
| Derivative financial instruments                                  | -                  | -                        | 22,957        | 22,957           |
| Other current financial assets                                    | 24,771             | -                        | -             | 24,771           |
| Cash and cash equivalents   | 324,305            | -                        | -             | 324,305          |
| <b>Total</b>  | <b>473,038</b>     | <b>196,336</b>           | <b>22,957</b> | <b>692,331</b>   |
| <b>Financial liabilities</b>                                      |                    |                          |               |                  |
| Borrowings (non-current)  | 1,053,637          | -                        | -             | 1,053,637        |
| Lease liabilities (non-current)                                   | 45,095             | -                        | -             | 45,095           |
| Borrowings (current)  | 53,683             | -                        | -             | 53,683           |
| Lease liabilities (current)                                       | 13,328             | -                        | -             | 13,328           |
| Other current financial liabilities (a)                           | -                  | -                        | 17,400        | 17,400           |
| Trade and other payables  | 97,911             | -                        | -             | 97,911           |
| <b>Total</b>  | <b>1,263,654</b>   | <b>-</b>                 | <b>17,400</b> | <b>1,281,054</b> |

(a) Consists of (i) contingent consideration payables related to Company Webcast B.V and InsiderLog AB of respectively €2.6 million and €4.6 million, and (ii) redemption liability of €10.2 million related to Company Webcast B.V.

| In thousands of euros   | As at 31 December 2018 |                          |               |                |
|---|------------------------|--------------------------|---------------|----------------|
|   | Amortised cost         | FVOCI equity instruments | FVPL          | Total          |
| <b>Financial assets</b>   |                        |                          |               |                |
| Financial assets at fair value through other comprehensive income | -                      | 220,100                  | -             | 220,100        |
| Financial assets at amortised cost                                | 7,021                  | -                        | -             | 7,021          |
| Trade and other receivables                                       | 101,082                | -                        | -             | 101,082        |
| Derivative financial instruments                                  | -                      | -                        | 7,361         | 7,361          |
| Other current financial assets                                    | 14,160                 | -                        | -             | 14,160         |
| Cash and cash equivalents   | 398,018                | -                        | -             | 398,018        |
| <b>Total</b>  | <b>520,281</b>         | <b>220,100</b>           | <b>7,361</b>  | <b>747,742</b> |
| <b>Financial liabilities</b>                                      |                        |                          |               |                |
| Borrowings (non-current)  | 504,940                | -                        | -             | 504,940        |
| Other non-current financial liabilities (a)                       | -                      | -                        | 17,400        | 17,400         |
| Derivative financial instruments                                  | -                      | -                        | 85            | 85             |
| Other current financial liabilities (b)                           | -                      | -                        | 6,986         | 6,986          |
| Trade and other payables  | 115,332                | -                        | -             | 115,332        |
| <b>Total</b>  | <b>620,272</b>         | <b>-</b>                 | <b>24,471</b> | <b>644,743</b> |

- (a) Consists of (i) contingent consideration payables related to Company Webcast B.V and InsiderLog AB of respectively €2.6 million and €4.6 million, and (ii) redemption liability of €10.2 million related to Company Webcast B.V.
- (b) Reflects the FastMatch Inc. contingent consideration payable including foreign exchange impacts after acquisition date, which was paid during the first six months of 2019.

### Derecognition of equity investment at FVOCI in Oslo Børs VPS

Following acquisition of the majority stake in Oslo Børs VPS as described in Note 7, the Group remeasured its previously held equity interest in Oslo Børs VPS at its acquisition-date fair value, resulting in a gain of €3.6 million which was recognised in other comprehensive income. As a consequence of the transaction, the equity investment in Oslo Børs VPS was derecognised and its historical revaluation gain recognised in other comprehensive income was transferred to retained earnings on acquisition date of the majority stake. Consequently, the investment was transferred out of the level 2 fair value measurement category.

## 21.2 Fair value measurement

This note provides an update on the judgments and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

### 21.2.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs that are based on observable market data, directly or indirectly
- Level 3: unobservable inputs

| <i>In thousands of euros</i>                                  | Level 1  | Level 2       | Level 3        | Total          |
|---|----------|---------------|----------------|----------------|
| <b>As at 30 June 2019</b>                                     |          |               |                |                |
| <b>Assets</b>   |          |               |                |                |
| Financial assets at FVOCI                                     |          |               |                |                |
| Unlisted equity securities                                    | -        | -             | 196,336        | 196,336        |
| Financial assets at FVPL                                      |          |               |                |                |
| Hedging derivatives - interest rate swaps                     | -        | 22,795        | -              | 22,795         |
| Hedging derivatives - foreign exchange forward contract - GBP | -        | 162           | -              | 162            |
| <b>Total assets</b>   | <b>-</b> | <b>22,957</b> | <b>196,336</b> | <b>219,293</b> |
| <b>Liabilities</b>  |          |               |                |                |
| Financial liabilities at FVPL                                 |          |               |                |                |
| Contingent consideration payables                             | -        | -             | 7,200          | 7,200          |
| Redemption liability  | -        | -             | 10,200         | 10,200         |
| <b>Total liabilities</b>                                      | <b>-</b> | <b>-</b>      | <b>17,400</b>  | <b>17,400</b>  |
| <b>As at 31 December 2018</b>                                 |          |               |                |                |
| <b>Assets</b>   |          |               |                |                |
| Financial assets at FVOCI                                     |          |               |                |                |
| Unlisted equity securities                                    | -        | 31,684        | 188,416        | 220,100        |
| Financial assets at FVPL                                      |          |               |                |                |
| Hedging derivatives - interest rate swaps                     | -        | 7,361         | -              | 7,361          |
| <b>Total assets</b>   | <b>-</b> | <b>39,045</b> | <b>188,416</b> | <b>227,461</b> |
| <b>Liabilities</b>  |          |               |                |                |
| Financial liabilities at FVPL                                 |          |               |                |                |
| Hedging derivatives - foreign exchange forward contract - GBP | -        | 85            | -              | 85             |
| Contingent consideration payables                             | -        | -             | 14,186         | 14,186         |
| Redemption liability  | -        | -             | 10,200         | 10,200         |
| <b>Total liabilities</b>                                      | <b>-</b> | <b>85</b>     | <b>24,386</b>  | <b>24,471</b>  |

The fair value of interest rate swaps is calculated as the present value of the estimated future net cash flows based on observable yield curves at the reporting date. The fair value of foreign exchange forwards is calculated as the present value of future net cash flows based on the forward exchange rates at the balance sheet date. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2019.

### 21.2.2 Fair value measurements using unobservable inputs (level 3)

The following table shows the changes in level 3 instruments for the six-months period ended 30 June 2019:

| <i>In thousands of euros</i>   | Unlisted equity securities | Contingent consideration payables | Redemption liability | Total          |
|--------------------------------|----------------------------|-----------------------------------|----------------------|----------------|
| <b>As at 31 December 2018</b>  | <b>188,416</b>             | <b>(14,186)</b>                   | <b>(10,200)</b>      | <b>164,030</b> |
| Revaluations recognised in OCI | 7,662                      | -                                 | -                    | 7,662          |
| Revaluations recognised in P&L | -                          | -                                 | -                    | -              |
| Payments                       | -                          | 6,888                             | -                    | 6,888          |
| Acquisitions / (incurrences)   | 255                        | -                                 | -                    | 255            |
| Exchange differences           | 3                          | 98                                | -                    | 101            |
| <b>As at 30 June 2019</b>      | <b>196,336</b>             | <b>(7,200)</b>                    | <b>(10,200)</b>      | <b>178,936</b> |

There were no transfers between the levels of fair value hierarchy in the six months period ended 30 June 2019.

### Valuation process

Concerning the valuation process for fair value measurement categorised within level 3 of the fair value hierarchy, the Group's central treasury department collects and validates the available level 3 inputs and performs the valuation according to the Group's valuation methodology for each reporting period. The fair value estimates are discussed with-, and challenged by the Group Financial Controller and the Chief Financial Officer. Periodically the values of investments categorized in "level 3" are validated by staff with extensive knowledge of the industry in which the invested companies operate. Although valuation techniques are applied consistently as a principle, Management, upon advice from the Group's valuation experts, may decide to replace a valuation technique if such a change would improve the quality or the reliability of the valuation process.

### Unlisted equity securities in Euroclear plc and Sicovam Holding S.A.

For measuring fair value of its long-term investments in unlisted equity securities in Euroclear plc. and Sicovam Holding S.A. the Group applied the Gordon valuation technique as its primary valuation method with normalised return on equity and expected dividend growth rate as key non-observable parameters. For the valuation the Group considers also observable transactions. In addition, for measuring the fair value of Sicovam Holding S.A, the Group applied an illiquidity discount as an unobservable input for which a sensitivity impact of +10%/(-10%) would amount to a decrease or (increase) of €6.3 million in the fair value.

As per 30 June 2019, the key assumptions used in the Gordon valuation model were as follows:

| In thousands of euros | Fair value at<br>30 June<br>2019 | Unobservable<br>inputs *)                                      | Range of inputs<br>(probability-<br>weighted<br>average) | Relationship of unobservable<br>inputs to fair value |          |
|-----------------------|----------------------------------|--|--|--|----------|
|                       |                                  |  |  | Increase   | decrease |
| Euroclear Plc         | 139,361                          | Return on<br>equity<br><br>Expected<br>dividend<br>growth rate | 7.5% - 8.5%<br>(8%)<br><br>1% - 2%<br>(1.5%)             | 4,626  | (6,240)  |
| Sicovam Holding S.A.  | 56,652                           | Return on<br>equity<br><br>Expected<br>dividend<br>growth rate | 7.5% - 8.5%<br>(8%)<br><br>1% - 2%<br>(1.5%)             | 1,713  | (2,426)  |

\*) There were no significant inter-relationships between unobservable inputs that materially affect fair value

As per 31 December 2018, the key assumptions used in the Gordon valuation model were as follows:

| In thousands of euros | Fair value at<br>31 December<br>2018 | Unobservable<br>inputs *)                                      | Range of inputs<br>(probability-<br>weighted<br>average) | Relationship of unobservable<br>inputs to fair value |          |
|-----------------------|--------------------------------------|--|--|--|----------|
|                       |                                      |  |  | Increase   | decrease |
| Euroclear Plc         | 133,843                              | Return on<br>equity<br><br>Expected<br>dividend<br>growth rate | 7.5% - 8.5%<br>(8%)<br><br>1% - 2%<br>(1.5%)             | 5,914  | (6,653)  |
| Sicovam Holding S.A.  | 54,508                               | Return on<br>equity<br><br>Expected<br>dividend<br>growth rate | 7.5% - 8.5%<br>(8%)<br><br>1% - 2%<br>(1.5%)             | 2,214  | (2,674)  |

\*) There were no significant inter-relationships between unobservable inputs that materially affect fair value

The sensitivity analysis shows the impact on fair value using the most favorable combination (increase), or least favorable combination (decrease) of the unobservable inputs per investment in unlisted equity securities.



### **Unlisted equity securities in Algomi Ltd.**

Based on the companies' going-concern outlook, the Group decided to revalue this investment downwards to zero as per 31 December 2018. The Group considers fair value for this investment unchanged as per 30 June 2019.

### **Contingent consideration payables and redemption liability**

The contingent consideration payable of €6.9 million related to FastMatch Inc. was paid during the six months ended 30 June 2019. The inputs used for the valuation of the contingent consideration payables related to Company Webcast B.V. and InsiderLog AB and the inputs used for the valuation of the redemption liability related to Company Webcast B.V. did not substantially deviate from the ones described in Note 34 of the Consolidated Financial Statements as of, and for the year ended 31 December 2018. Management considers the impact of changes of these unobservable inputs not material for the total level 3 portfolio.

### **21.2.3 Fair values of other financial instruments**

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. For these instruments the fair values approximate their carrying amounts.

## **22. Related parties**

### **22.1 Transactions with related parties**

The Group has related party relationships with its associates and joint ventures. The related party transactions in the six-month period ended 30 June 2019 do not significantly deviate from the transactions as reflected in the financial statements as at and for the year ended 31 December 2018.

Transactions with subsidiaries are eliminated on consolidation. The interests in group companies are set out in Note 6.

### **22.2 Key management personnel**

During the first half-year of 2019, the following mutations in the Group's key management personnel have occurred:

#### **Managing Board**

At the Annual General Meeting held on 16 May 2019, Isabel Ucha was officially appointed as a member of the Managing Board.

#### **Supervisory Board**

Immediately after the Annual General Meeting (AGM) held on 16 May 2019, Ramon Fernandez stepped down from the Supervisory Board.

With the exception of the above there were no other changes in key management personnel during the six months ended 30 June 2019. Other arrangements with key management have remained consistent since 31 December 2018.

## **23. Contingencies**

The Group is involved in a number of legal proceedings that have arisen in the ordinary course of Euronext's business. Set out below are the legal proceedings that had changes in status, compared to what has been reported in Note 33 "Contingencies" of the Group's Consolidated Financial Statements for the year ended 31 December 2018. No new material legal proceedings occurred during the six months ended 30 June 2019.

### **Euronext Amsterdam Pension Fund**

On 25 April 2019, Euronext Amsterdam received an interlocutory judgment in the appeal it had filed against the decision of the Court in Euronext Amsterdam's dispute with approximately 120 retired and/or former employees. In this interlocutory judgement, the higher court intends to confirm the verdict of the judgement of 24 June 2016. However, the higher court needs further information to assess if Euronext can be sentenced to enter into a new implementation agreement ("uitvoeringsovereenkomst") with a pension provider who can provide the same or at least equal rights and warranties as set out in the implementation agreement 2007-2012, or the implementation agreement 2013; or subsidiary if Euronext can be sentenced to, as substitution for the implementation agreement, pay an amount of money to a pension provider to make sure that the pensioners will be placed in the same position as they would have been in the event the implementation agreement would have been continued unaltered. Euronext has been ordered to give this information on 25 June 2019. Euronext has provided the information.

The actuaries of Euronext had already calculated that the pensioners would have lower pension rights in the event that the implementation agreement would have been continued. These calculations are based on all the financial obligations of the implementation agreement and the financial position of the pension fund. Furthermore the calculations are based on the legal parameters of the Pension Act 2007, therefore, Euronext has called for rejection of the claims of the pensioners because there is no financial loss. The pensioners have been given the possibility to respond to this information on 23 July 2019. There is no possibility to appeal at this stage.

The final judgement of the higher court is expected this year, but it is possible that the judgment will be postponed until later in 2020. Once there is a final decision Euronext shall consider if it should lodge an appeal in cassation. No provision has been booked in connection with this case.

## 24. Events after the reporting period

### Acquisition of the remaining shares of Oslo Børs VPS

On 30 June 2019, the Group was the legal owner of 97.8% of the issued and outstanding shares of Oslo Børs VPS.

After balance sheet date, following completion of its unconditional offer launched on 31 May 2019, the Group obtained a further 1.6% of the shares of Oslo Børs VPS, increasing its interest to 99.4%.

On 4 July 2019, the Group started a legal process to carry out a compulsory acquisition of all the remaining shares in Oslo Børs VPS that it did not already own. The offered redemption amount was the same as offered to shareholders in the offer launched on 31 May 2019, that is NOK 158 per share plus applicable interest payments.

The above resulted in the transfer of the rights and ownership of the remaining shares of Oslo Børs VPS to the Group on 4 July 2019, making the Group the beneficial owner of 100% of the Oslo Børs VPS shares. The Oslo Børs VPS share has also been deregistered from the N-OTC.

In addition, Håvard Abrahamsen, President and CEO of Oslo Børs and Oslo Børs VPS Holding was appointed, subject to regulatory and shareholders' approval, member of the Managing Board of Euronext.

### Acquisition of OPCVM360

On 9 July 2019, the Group acquired 60% of OPCVM360, a leading fund data provider in France, with an option to acquire the remaining capital in 2023. The acquisition is considered individually immaterial to the Group.

At the time these Condensed Interim Consolidated Financial Statements were authorised for issue, the Group had not yet completed the accounting for the acquisition of OPCVM360. As a consequence it is not yet possible to provide all detailed information required under IFRS 3, B66.

Amsterdam, 31 July 2019

### Stéphane Boujnah

Chief Executive Officer and Chairman of the Managing Board

### Giorgio Modica

Chief Financial Officer

## Management Statement

The Company Management hereby declares that to the best of its knowledge:

- The interim condensed consolidated financial statements prepared in accordance with IAS 34 “Interim Financial Reporting”, give a true and fair view of the assets, liabilities, financial position and profit or loss of Euronext N.V. and the undertakings included in the consolidated as a whole; and
- The semi-annual report includes a fair review of the information required pursuant to section 5:25d(8 (9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht)).

Amsterdam, 31 July 2019

**Stéphane Boujnah**  
Chief Executive Officer and Chairman of the Managing Board

**Giorgio Modica**  
Chief Financial Officer

# Independent auditor's review report

To: the Managing Board and Supervisory Board of Euronext N.V.

## Introduction

We have reviewed the accompanying condensed interim consolidated financial statements for the period 1 January 2019 until 30 June 2019 of Euronext N.V., Amsterdam, that comprises the condensed interim consolidated balance sheet as at 30 June 2019, the condensed interim consolidated statements of profit or loss, the condensed interim consolidated statement of comprehensive income, the condensed interim consolidated statement of changes in equity, the condensed interim consolidated statement of cashflows for the six-month period then ended and the selected explanatory notes.

Management is responsible for the preparation and fair presentation of these condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

## Scope

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements for the period 1 January 2019 until 30 June 2019 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Amsterdam, 31 July 2019

Ernst & Young Accountants LLP

Signed by A.B. Roeders

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