ORDINA

Interim report Ordina N.V.

H1 2019

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ABOUT ORDINA

Ordina is the largest independent IT services provider in the Benelux, with around 2,650 employees. We focus on giving our clients a digital edge in the sectors: financial services, industry, the public sector and healthcare. We do this by devising, building and managing technological applications. Ordina helps its clients to stay ahead of the challenges and changes in their business. Ordina was founded in 1973. The company's shares have been listed on Euronext Amsterdam since 1987 and are included in the Smallcap Index (AScX). In 2018, Ordina recorded revenue of EUR 359 million. You will find additional information at: www.ordina.nl.

Statement from the Management Board

This document comprises the 2019 interim report and the condensed consolidated interim financial statements of Ordina N.V. This interim report has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. This interim report does not contain all the information required for financial statements. It should therefore be read in conjunction with the consolidated financial statements for the full year 2018. These interim financial statements have not been audited.

The Management Board hereby declares, in accordance with Section 5:25d (2) (c) of the Dutch Financial Supervision Act, that to the best of their knowledge:

- the interim financial statements give a true and fair view of the assets and liabilities, and the financial position as at 30 June 2019 and the results for the first six months of 2019 of Ordina N.V. and its consolidated companies, and that:
- the interim report of the Management Board incorporated in this 2019 interim report gives a true and fair view of the information required pursuant to Sections 5:25d (8) and, insofar as applicable, 5:25d (9) of the Dutch Financial Supervision Act, subject to the disclaimer regarding forward-looking statements included at the bottom of page 14.

Nieuwegein, 31 July 2019

J. Maes, CEO
J.W. den Otter, CFO

KEY FIGURES ORDINA N.V.

	H1 2018	H1 2019	Change H1 2019 on H1 2018
(in thousands of euros, unless indicated otherwise)			
Revenue the Netherlands	128,306	129,706	1.1%
Revenue Belgium / Luxembourg	50,558	57,145	13.0%
Total Revenue	**178,864**	**186,851**	4.5%
EBITDA the Netherlands	2,973	8,254	
EBITDA margin the Netherlands	2.3%	6.4%	
EBITDA the Netherlands adjusted[1]	2,973	4,205	
EBITDA margin the Netherlands adjusted[1]	2.3%	3.2%	
EBITDA Belgium / Luxembourg	7,188	8,864	
EBITDA margin Belgium / Luxembourg	14.2%	15.5%	
EBITDA Belgium / Luxembourg adjusted[1]	7,188	7,126	
EBITDA margin Belgium / Luxembourg adjusted[1]	14.2%	12.5%	
EBITDA	**10,161**	**17,118**	**6,957**
EBITDA margin	**5.7%**	**9.2%**	**3.5%**
EBITDA adjusted[1]	**10,161**	**11,331**	**1,170**
EBITDA margin adjusted[1]	**5.7%**	**6.1%**	**0.4%**
Redundancy costs	1,040	936	
Net profit	5,072	5,958	886
Shareholders' equity	151,031	154,351	
Capital asset ratio	63	58	
Intangible fixed assets	130,986	129,788	
Right-of-use assets	-	34,033	
Property, plant and equipment	5,660	4,979	
Total assets	240,949	264,691	
Days Sales Outstanding (DSO)	55	53	
Days Payables Outstanding (DPO)	59	54	
Net cash position at end of reporting period	2,893	6,514	
Leverage ratio	-0.1	-0.3	
Average number of staff (FTE)	2,516	2,589	
Average number of direct staff (FTE)	2,230	2,299	
Average number of indirect staff (FTE)	286	290	
Number of staff at end of reporting period (FTE)	2,554	2,596	
Number of direct staff at end of reporting period (FTE)	2,255	2,303	
Number of indirect staff at end of reporting period (FTE)	299	293	
Number of shares outstanding at end of reporting period (in thousands)	93,256	93,256	
Per-share information (based on average number of issued shares) in euros			
Shareholders' equity	1.62	1.66	
Cash generated from operating activities	-0.02	0.07	
Earnings	0.05	0.06	
Earnings - diluted	0.05	0.06	

[1] As of 1 January 2019, IFRS 16 'Leases' is applicable to our reporting. The 2018 results are not adjusted under this standard. This 'adjusted EBITDA (margin)' shows the EBITDA (margin) for comparison purposes without the application of IFRS 16 (in line with 2018 reporting).

Continued growth and improved results

Nieuwegein, 1 August 2019

Highlights H1 2019

- Revenue 4.5% higher at EUR 186.9 million (H1 2018: EUR 178.9 million);
  - Revenue the Netherlands up 1.1% at EUR 129.7 million (H1 2018: EUR 128.3 million);
  - Revenue Belgium/Luxembourg up 13.0% at EUR 57.1 million (H1 2018: EUR 50.6 million);
- EBITDA (adjusted)[1] rises to EUR 11.3 million (H1 2018: EUR 10.2 million);
- EBITDA margin (adjusted)[1] rises to 6.1% (H1 2018: 5.7%);
- Net profit higher at EUR 6.0 million (H1 2018: EUR 5.1 million).

Highlights Q2 2019

- Revenue 5.4% higher at EUR 92.3 million (Q2 2018: EUR 87.6 million);
  - Revenue the Netherlands up 2.0% at EUR 64.4 million (Q2 2018: EUR 63.1 million);
  - Revenue Belgium/Luxembourg up 14.0% at EUR 27.9 million (Q2 2018: EUR 24.5 million);
- One extra working day in the Netherlands in Q2 2019 (impact around EUR 0.9 million in revenue and around EUR 0.7 million in EBITDA);
- EBITDA (adjusted)[1] rises to EUR 5.6 million (Q2 2018: EUR 4.1 million);
- EBITDA margin (adjusted)[1] rises to 6.1% (Q2 2018: 4.7%);
- Net cash position higher at EUR 6.5 million (end-Q2 2018: EUR 2.9 million);
- New high-profile labour market campaign featuring Ordina's own professionals;
- Ordina scores top-5 position as attractive employer in MT500.

JO MAES, CEO ORDINA, ABOUT THE RESULTS

"We once again recorded growth in the first half of the year. Our Belgium/Luxembourg business recorded excellent growth of 13%. The rate of growth in the Netherlands was lower, but we also saw continued growth in profitability. Our revenue from projects and from teams of our own Ordina professionals is growing. These multidisciplinary teams enable us to offer our clients continuity and the acceleration of their digital transformation.

Our five business propositions continue to be a success with our clients. In the public sector, we are seeing growth in the number of High performance teams and contracts in the field of Intelligent data-driven organisations and Digital acceleration. In the financial sector, we are booking growth with High performance teams and Business platforms. In the healthcare sector, we are very pleased with the growth in Belgium/Luxembourg and in particular in Wallonia. We saw a slight decline in revenue in the industry sector. However, we did record an increase in revenue in this sector from our propositions Intelligent data-driven organisations and Security & Privacy.

With net profit of EUR 6.0 million and a net cash position of EUR 6.5 million, Ordina was in a healthy financial position at the end of the first half of the year. Our main priorities for the second half of the year are to continue with the execution of our added value strategy at our clients, and a further improvement in returns. We will focus on growth with our five business propositions and growth with our own professionals."

[1] As of 1 January 2019, IFRS 16 'Leases' is applicable to our reporting. The 2018 results are not adjusted under this standard. This 'adjusted EBITDA (margin)' shows the EBITDA (margin) for comparison purposes without the application of IFRS 16 (in line with 2018 reporting). The EBITDA for H1 2019 including the application of IFRS 16 amounts to EUR 17.1 million and the EBITDA margin is 9.2%. The EBITDA in Q2 2019 including the application of IFRS 16 amounts to EUR 8.5 million and the EBITDA margin is 9.2%.

DEVELOPMENTS Q2 2019

Revenue Q2 2019

Revenue increased by 5.4% to EUR 92.3 million in the second quarter of 2019 (Q2 2018: EUR 87.6 million). The number of workable days was 62 in the Netherlands (Q2 2018: 61) and 61 in Belgium/Luxembourg (Q2 2018: 61). The impact of one working day in the Netherlands is around EUR 0.9 million in revenue and around EUR 0.7 million in EBITDA.

Revenue per division

(in thousands of euros)	Q2 2018	Q2 2019	Change Q2 2019 on Q2 2018
the Netherlands	63,069	64,353	2.0%
Belgium/Luxembourg	24,514	27,943	14.0%
TOTAL	**87,583**	**92,296**	**5.4%**

EBITDA Q2 2019

EBITDA (after redundancy costs) was EUR 8.5 million in the second quarter. EBITDA without the application of IFRS 16 (for comparison purposes) increased to EUR 5.6 million in the second quarter of 2019 (Q2 2018: EUR 4.1 million). The redundancy costs amounted to EUR 0.3 million (Q2 2018: EUR 0.5 million).

The EBITDA margin came in at 9.2%. The EBITDA margin without application of IFRS 16 (for comparison purposes) increased to 6.1% (Q2 2018: 4.7%).

DEVELOPMENTS H1 2019

Revenue H1 2019

In the first half of 2019, revenue increased by 4.5% to EUR 186.9 million (H1 2018: EUR 178.9 million). The number of workable days was 125 in the Netherlands (H1 2018: 125) and 124 in Belgium/Luxembourg (H1 2018: 125). The impact of one working day in Belgium/Luxembourg is around EUR 0.4 million in revenue and around EUR 0.3 million in EBITDA.

Revenue per division

(in thousands of euros)	H1 2018	H1 2019	Change H1 2019 on H1 2018
the Netherlands	128,306	129,706	1.1%
Belgium/Luxembourg	50,558	57,145	13.0%
TOTAL	**178,864**	**186,851**	**4.5%**

EBITDA H1 2019

EBITDA (after redundancy costs) was EUR 17.1 million in the first half of 2019. EBITDA without the application of IFRS 16 (for comparison purposes) came in higher at EUR 11.3 million in the first half of 2019 (H1 2018: EUR 10.2 million). The redundancy costs amounted to EUR 0.9 million (H1 2018: EUR 1.0 million).

The EBITDA margin amounted to 9.2%. The EBITDA margin without application of IFRS 16 (for comparison purposes) increased to 6.1% (H1 2018: 5.7%).

EBITDA per division

(in thousands of euros)	H1 2018		H1 2019		H1 2019 adjusted[1]	
the Netherlands	2,973	2.3%	8,254	6.4%	4,205	3.2%
Belgium/Luxembourg	7,188	14.2%	8,864	15.5%	7,126	12.5%
TOTAL	**10,161**	**5.7%**	**17,118**	**9.2%**	**11,331**	**6.1%**

[1] As of 1 January 2019, 'IFRS 16 'Leases' is applicable to our reporting. The 2018 results are not adjusted under this standard. This 'adjusted EBITDA (margin) shows the EBITDA (margin) for comparison purposes without the application of IFRS 16 (in line with 2018 reporting).

The Netherlands

In the Netherlands, revenue was up 1.1% at EUR 129.7 million (H1 2018: EUR 128.3 million). EBITDA came in at EUR 8.3 million. The EBITDA margin was 6.4%. EBITDA without the application of IFRS 16 (for comparison purposes) increased to EUR 4.2 million in the first half of 2019 (H1 2018: EUR 3.0 million). The higher margin, which improved to 3.2% from 2.3% (without the application of IFRS 16), is the result of an improvement in revenue mix and rates.

Belgium/Luxembourg

In Belgium/Luxembourg, revenue came in 13.0% higher at EUR 57.1 million (H1 2018: EUR 50.6 million). EBITDA was EUR 8.9 million. EBITDA without the application of IFRS 16 (for comparison purposes) came in at EUR 7.1 million in the first half of 2019 (H1 2018: EUR 7.2 million). The positive return was driven largely by growth in the number of our own Ordina professionals and high productivity. In addition, Ordina made several investments to support the growing organisation, including the expansion of the management team and the opening of two new offices.

MARKET DEVELOPMENTS

Revenue Q2 2019

In the second quarter of 2019, revenue increased by 5.4% to EUR 92.3 million (Q2 2018: EUR 87.6 million). Ordina recorded strong growth in the public sector, financial services and the healthcare sector. In the industry sector, revenue declined when compared with the same period last year.

Revenue per market

(in thousands of euros)	Q2 2018[1]	Q2 2019	Change Q2 2019 on Q2 2018[1]
Public	33,459	35,570	6.3%
Financial services	24,387	26,848	10.1%
Industry	24,214	23,737	-2.0%
Healthcare	5,523	6,141	11.2%
TOTAL	**87,583**	**92,296**	**5.4%**

[1] 2018 figures have been adjusted to reflect the reclassification of a number of clients for comparison purposes.

Revenue H1 2019

In the first half of 2019, revenue came in 4.5% higher at EUR 186.9 million (H1 2018: EUR 178.9 million). The first half of 2019 had 125 workable days in the Netherlands (H1 2018: 125) and 124 workable days in Belgium/Luxembourg (H1 2018: 125).

Revenue per market

(in thousands of euros)	H1 2018[1]	H1 2019	Change H1 2019 on H1 2018[1]
Public	68,203	70,978	4.1%
Financial services	49,613	54,360	9.6%
Industry	49,941	48,939	-2.0%
Healthcare	11,107	12,574	13.2%
TOTAL	**178,864**	**186,851**	**4.5%**

[1] 2018 figures have been adjusted to reflect the reclassification of a number of clients for comparison purposes.

Public sector

In the first half of 2019, revenue from our public sector clients increased by 4.1% to EUR 71.0 million (H1 2018: EUR 68.2 million). The activities in the Netherlands recorded particularly strong growth in this sector. The growth came on the back of a growing number of contracts based on our business propositions High performance teams, Intelligent data-driven organisations and Business platforms. For instance, Ordina recently acquired a contract for three new High performance teams for a government institution, including a team that uses geographical systems to provide static and real-time information.

One example of a contract based on our Business platforms business proposition is the one we received from a university to analyse their current Oracle ERP system, for the possible transition to a new system or new release.

In Belgium/Luxembourg, Ordina has signed a contract with the government for the development of applications for the care and healthcare sector at public sector level. This involves organisations such as the Crossroads Bank for Social Security (KSZ) and the National Institute for Disability and National Health Insurance (RIZIV). Ordina also closed a framework contract for Business Intelligence & data warehouse with the Flemish government's Investment & Trade Agency.

Financial services

Revenue in the financial services sector was up 9.6% at EUR 54.4 million in the first half of 2019 (H1 2018: EUR 49.6 million). Revenue in this sector was higher in both the Netherlands and Belgium/Luxembourg. For many years Ordina has had a strong position with various banks and insurers. The trend of agile working has become widespread in the financial sector and Ordina's business proposition High performance teams is an excellent fit in that respect. The benefit of working in teams is that they facilitate a continuous flow of improvements and innovations, which enables our clients to accelerate their digital transformation.

Compliance and privacy are essential in the financial sector. In the Netherlands, Ordina has various High performance teams working on numerous contracts, including applications for fraud and crime detection for Rabobank.

Industry

Revenue in the industry sector declined by 2.0% to EUR 48.9 million in the first half of 2019 (H1 2018: EUR 49.9 million). Revenue in this sector showed growth in Belgium/Luxembourg, while it declined in the Netherlands. We were unable to offset the decline in our revenues from multinationals sufficiently through development of added value relationships with the local large companies. In addition, it remains important for Ordina to further boost its strong position in the logistics sector in the Netherlands in the longer term. We are increasing our efforts on both fronts.

One good example of the Business platforms business proposition in Belgium/Luxembourg is the realisation of a SAP S4Hana implementation for a company in the steel industry.

We also realised a number of great projects on the basis of our business proposition Digital acceleration. For instance, Clockwork is working on the development of an online car platform for the Belgian car distributor D'Ieteren. This platform offers buyers the opportunity to order the car, arrange the financing and sign the associated contracts. The focal points of this contract are European law and regulations and user experience. In the Netherlands, Clockwork developed a new e-commerce platform including a webshop and app for Omoda, one of the largest Dutch webstores with annual revenues of EUR 150 million from online sales.

Healthcare

Revenue in the healthcare sector came in 13.2% higher at EUR 12.6 million (H1 2018: EUR 11.1 million) driven by growth in the pharmaceutical industry in Belgium/Luxembourg. In an example of our business proposition Business platforms, Ordina developed a tool for the consolidation of test results for Nelson Labs Europe. Nelson Labs Europe researches products that come into contact with medications and tests them for the presence of chemicals.

In the Netherlands, Ordina conducts Privacy/GDPR scans for various organisations in the healthcare sector and draws up improvement agendas to ensure that these organisations improve their GDPR compliance.

EMPLOYEES

In the first half of 2019, the number of direct employees declined by 42 FTEs and the number of indirect employees was down by 9 FTEs. At the end of the first half of 2019, the total number of employees was 2,596 FTEs (year-end 2018: 2,647 FTEs). Compared to the end of the same period of 2018, the total number of direct employees increased by 48 FTEs (end-H1 2018: 2,255). The average number of direct employees in the first half of the year also increased, by 69 FTEs to 2,299 FTEs. The recruitment and retention of employees in this tight labour market therefore remain priorities for the second half of the year.

The average number of employees in the first half of 2019 was 2,589 (H1 2018: 2,516). The average number of indirect FTEs increased by 4 FTEs to 290 FTEs.

	FTE FY 2018	Net change	FTE H1 2019
Direct FTE	2,345	-42	2,303
Indirect FTE	302	-9	293
TOTAL	2,647	-51	2,596

FINANCIAL DEVELOPMENTS

Revenue

In the first half of 2019, revenue was 4.5% higher at EUR 186.9 million (H1 2018: EUR 178.9 million).

EBITDA

EBITDA (after redundancy costs) increased to EUR 17.1 million in the first half of 2019. EBITDA without application of IFRS 16 (for comparison purposes) came in at EUR 11.3 million in the first half of 2019 (H1 2018: EUR 10.2 million).

From EBITDA to net profit

(in thousands of euros)	H1 2018	H1 2019
EBITDA	**10,161**	**17,118**
Depreciation & amortisation	-1,952	-7,316
EBIT	**8,209**	**9,802**
Finance costs - net	-101	-584
Earnings before taxes	**8,108**	**9,218**
Taxes	-3,036	-3,260
Net profit	**5,072**	**5,958**

Redundancy costs

Redundancy costs came in at EUR 0.9 million in the first half of 2019 (H1 2018: EUR 1.0 million).

Depreciation

Depreciation came in at EUR 7.3 million in the first half of 2019. Depreciation costs are reported higher in 2019 due to the implementation of IFRS 16. Without the application of IFRS 16, depreciation costs were EUR 2.0 million (H1 2018: EUR 2.0 million).

Taxes

Taxes amounted to EUR 3.3 million in the first half of 2019 (H1 2018: EUR 3.0 million).

Net profit and earnings per share

Net profit came in at EUR 6.0 million in the first half of 2019 (H1 2018: EUR 5.1 million). Earnings per share came in at EUR 0.06 (H1 2018: EUR 0.05).

Workable days

	2018		2019	
	NL	**B**	**NL**	**B**
Q1	64	64	63	63
Q2	61	61	62	61
Q3	65	63	66	64
Q4	64	63	64	63
Total	**254**	**251**	**255**	**251**

Productivity

Average productivity stood at 70.6% in the first half of 2019 (H1 2018: 70.8%). Average availability was 10.8% in the first half of 2019, up from 9.5% in the first half of 2018.

Net cash and cash flow

At the end of the first half of 2019, Ordina had a net cash position of EUR 6.5 million (at end-H1 2018: EUR 2.9 million). The increase was driven by the improved result and tight working capital management.

Movements in net cash position

(rounded up, in EUR millions)	
Year-end 2018	18.5
Net result	6.0
Depreciation & amortisation	7.3
Working capital, provisions & other movements	10.3-
Interest & income tax	2.6-
Net investments	1.6-
Dividend payments	4.7-
Other cashflow from financing activities	6.1-
at 30 June 2019	**6.5**

Net debt expressed as a ratio of 'adjusted' EBITDA on 30 June 2019, as formulated in the financing covenants, came in at -0.3 and was thus below the maximum of 2.50 agreed with the banks. The Interest Cover Ratio stood at 125.5 on 30 June 2019 and was therefore above the agreed minimum of 5.0.

The table below shows an overview of the ratios compared with the covenants agreed with the banks.

Maximum Leverage Ratio

	Norm	Actual
Ratio up to last two quarters before end of agreement	**2.5**	**-0.3**
Ratio during last two quarters of agreement	2.0	

Minimum Interest Cover Ratio

	Norm	Actual
Ratio	**5.0**	**125.5**

In July 2019, Ordina agreed an extension of its credit facility of EUR 30 million, including an easing of the terms. The margin has been reduced to 0.70% and a number of terms have been eased. The term of the facility is five years, with an initial term of three years and two options to extend by one year. Additional details are available on page 32.

RISK MANAGEMENT

In the 2018 Annual Report (page 90 and onwards), Ordina describes the main objectives and procedures of its risk management and control systems, as well as the main risks and any mitigating measures. Ordina has assessed the identified risks and has determined that the main risks identified remain the same in the second half of 2019. The main risks are:

- There is a shortage of highly qualified IT professionals. This is partly due to the limited supply on the labour market and partly due to reduced retention (retaining employees with expertise and experience), partly due to the recovering economy.
- We are seeing an increase in the number of small specialist companies in the market, both as competitors for our services and in the labour market. The reason for this is the declining demand for all-encompassing projects and clients demanding specific sub-solutions. These companies are also going to great lengths to be attractive employers.
- Data security is vital in the current digital age. Sensitive information can fall into the wrong hands as a result of cyber-crime or the failure of IT systems.
- Ordina's scale in relation to a client or a contract is sometimes a cause for concern or doubt among (potential) clients. On the other hand, Ordina can quickly become dependent on a specific client as the revenue from that client increases.
- Economic fluctuations due to factors such as an unstable (geo)political climate combined with a relatively fixed cost structure have a direct impact on our results.
- Market conditions may necessitate the impairment of goodwill related to acquisitions. Largely due to the positive development of the results in the first half of 2019, there was no triggering event for Ordina. There was therefore no reason to conduct an interim impairment test.
- At year-end 2018, Ordina had total loss carry-forwards of EUR 42.3 million. In the context of these loss carry-forwards, Ordina has recognised a deferred tax asset of EUR 9.0 million. There is a risk that Ordina will be unable to offset these losses in time, which would result in the depreciation of (part of) the deferred tax asset. In the valuation of the deferred tax asset, we have taken into consideration plans for loss rejuvenation.

For additional details on this subject, we refer you to Ordina's 2018 annual report on our website: www.ordina.nl.

We monitor the risks we have identified on a continuous basis. Nevertheless, it is possible that new or previously unidentified risks emerge that are not yet known and that could potentially have a material impact on our business operations, targets and results. We will continuously monitor any known and new risks and take control measures and initiate mitigating actions whenever this is deemed necessary.

ADDITIONAL INFORMATION

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Financial calendar

31 October 2019	Trading update Q3
13 February 2020	Publication 2019 annual results
2 April 2020	Annual General Meeting of Shareholders

Media call and analysts presentation

09:00 hrs CET – Media call
Ordina will explain its results on 1 August 2019 at 09:00 hrs CET during a media conference call (call number +31 (0)20 7948426).

10:30 hrs CET – Analysts presentation
Ordina will present its results on 1 August 2019 at 10:30 hrs CET at the analysts meeting in the Wyndham Apollo Hotel in Amsterdam. You can follow this presentation via a webcast. You can follow the webcast via the link you will find on our website: www.ordina.nl. The presentation will be available on our website after the webcast.

This document contains forward looking statements regarding the financial performance of Ordina N.V. and outlines certain plans, targets and ambitions based on current insights. Such forecasts are obviously not without risk and entail a certain degree of uncertainty since there are no guarantees regarding future circumstances. There are multiple factors that could potentially result in the actual results and outcomes differing from those outlined in this document. Such factors include: general economic trends, the pace of globalisation of the markets for solutions, IT and consulting, increased performance commitments, scarcity on the labour market, and future acquisitions and disposals.

Condensed consolidated interim financial statements

Ordina N.V.

H1 2019

Unaudited

CONSOLIDATED BALANCE SHEET ORDINA N.V.

(in thousands of euros)	30 June 2018	31 Dec 2018	30 June 2019
Assets			
Intangible fixed assets	130,986	130,370	129,788
Right-of-use assets	-	-	34,033
Property, plant and equipment	5,660	4,871	4,979
Investments in associates	371	364	364
Deferred income tax assets	17,836	15,177	14,775
Total non-current assets	**154,853**	**150,782**	**183,939**
Transition costs	15	8	-
Trade receivables and other short-term assets	76,607	64,100	74,238
Cash & cash equivalents	9,474	18,488	6,514
Total current assets	**86,096**	**82,596**	**80,752**
Total assets	**240,949**	**233,378**	**264,691**
Equity and liabilities			
Issued capital	9,326	9,326	9,326
Share premium reserve	136,219	136,219	136,219
Retained earnings	414	612	2,848
Profit for the period	5,072	6,873	5,958
Shareholders' equity	**151,031**	**153,030**	**154,351**
Employee related provisions	895	875	890
Lease liabilities	-	-	26,162
Total non-current liabilities	**895**	**875**	**27,052**
Borrowings / cash & cash equivalents	581	-	-
Borrowings / revolver	6,000	-	-
Lease liabilities	-	-	8,832
Other provisions	669	365	495
Trade payables and other short-term liabilities	76,986	74,454	72,715
Current tax payable	4,787	4,654	1,246
Total current liabilities	**89,023**	**79,473**	**83,288**
Total liabilities	**89,918**	**80,348**	**110,340**
Total equity and liabilities	**240,949**	**233,378**	**264,691**

The notes on pages 21 through 35 are an integral part of these condensed interim financial statements.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ORDINA N.V.

	H1 2018	FY 2018	H1 2019
(in thousands of euros)			
Revenue from contracts with customers	178,864	358,522	186,851
Cost of hardware, software and other direct costs	2,146	5,262	2,189
Work contracted out (hired staff)	48,010	96,508	50,339
Personnel expenses	109,702	219,731	109,474
Amortisation	819	1,648	705
Depreciation of right-of-use assets	-	-	5,307
Depreciation other	1,133	2,473	1,304
Other operating expenses	8,845	18,360	7,731
Total operating expenses	170,655	343,982	177,049
Operating profit (EBIT)	**8,209**	**14,540**	**9,802**
Finance costs - other	-101	-236	-104
Finance costs - lease liabilities	-	-	-480
Share of profit of associates	-	-7	-
Profit before income tax	**8,108**	**14,297**	**9,218**
Income tax expense	-3,036	-7,424	-3,260
Net profit	**5,072**	**6,873**	**5,958**
Net profit is attributable to:			
Shareholders of Ordina	5,072	6,873	5,958
Net profit	**5,072**	**6,873**	**5,958**
(in euros, unless indicated otherwise)			
Earnings per share - basic	0.05	0.07	0.06
Earnings per share - diluted	0.05	0.07	0.06
Number of shares outstanding at end of reporting period (in thousands)	93,256	93,256	93,256

The notes on pages 21 through 35 are an integral part of these condensed interim financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	H1 2018	FY 2018	H1 2019
(in thousands of euros)			
Net profit	5,072	6,873	5,958
Items not te be reclassified to profit or loss in subsequent periods			
Actuarial gains and losses on defined benefit plans	-	-5	-
Tax on items taken directly to or transferred from equity	-	1	-
Other comprehensive income, net of tax	**-**	**-4**	**-**
Total comprehensive income	**5,072**	**6,869**	**5,958**

The notes on pages 21 through 35 are an integral part of these condensed interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Share premium reserve	Retained earnings	Net profit for the reporting period	Total equity
(in thousands of euros)					
At 1 January 2018	**9,326**	**136,219**	**-936**	**3,108**	**147,717**
Changes in H1 2018					
Net profit for the reporting period	-	-	-	5,072	**5,072**
Other comprehensive income:					
Actuarial gains and losses	-	-	-	-	**-**
Total comprehensive income for the reporting period	**-**	**-**	**-**	**5,072**	**5,072**
Transactions with owners:					
Appropriation of profit previous year	-	-	3,108	-3,108	**-**
Dividend distribution	-	-	-1,865	-	**-1,865**
Share based payments - treasury shares settlement	-	-	-52	-	**-52**
Share based payments - personnel expenses	-	-	159	-	**159**
Total transactions with owners	**-**	**-**	**1,350**	**-3,108**	**-1,758**
Per 30 June 2018	**9,326**	**136,219**	**414**	**5,072**	**151,031**
Changes in H2 2018					
Net profit for the reporting period	-	-	-	1,801	**1,801**
Other comprehensive income:					
Actuarial gains and losses	-	-	-4	-	**-4**
Total comprehensive income for the reporting period	**-**	**-**	**-4**	**1,801**	**1,797**
Transactions with owners:					
Share based payments - personnel expenses	-	-	202	-	**202**
Total transactions with owners	**-**	**-**	**202**	**-**	**202**
Per 31 December 2018	**9,326**	**136,219**	**612**	**6,873**	**153,030**

Per 31 december 2018	**9,326**	**136,219**	**612**	**6,873**	**153,030**
First adoption IFRS 16 as per 1 January 2019	-	-	-276	-	**-276**
Per 1 January 2019	**9,326**	**136,219**	**336**	**6,873**	**152,754**
Changes in H1 2019					
Net profit for the reporting period	-	-	-	5,958	**5,958**
Other comprehensive income:					
Actuarial gains and losses	-	-	-	-	**-**
Total comprehensive income for the reporting period	**-**	**-**	**-**	**5,958**	**5,958**
Transactions with owners:					
Appropriation of profit previous year	-	-	6,873	-6,873	**-**
Dividend distribution	-	-	-4,663	-	**-4,663**
Share based payments - treasury shares settlement	-	-	-91	-	**-91**
Share based payments - personnel expenses	-	-	393	-	**393**
Total transactions with owners	**-**	**-**	**2,512**	**-6,873**	**-4,361**
Per 30 June 2019	**9,326**	**136,219**	**2,848**	**5,958**	**154,351**

The notes on pages 21 through 35 are an integral part of these condensed interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS ORDINA N.V.

	H1 2018	H1 2019
(in thousands of euros)		
Cash flow from operating activities		
Net profit for the reporting period	5,072	5,958
Adjustments for:		
Finance costs - other	101	104
Finance costs - lease liabilities	-	480
Income tax expense	3,036	3,260
	3,137	3,844
Operating profit	8,209	9,802
Adjustments for:		
Amortisation	819	705
Depreciation right-of-use assets	-	5,307
Depreciation other	1,133	1,304
Share based payments	159	393
	2,111	7,709
Operating profit before changes in working capital and provisions	**10,320**	**17,511**
Movements in transition costs	108	8
Movements in trade and other receivables	-13,003	-10,138
Movements in current liabilities	1,129	-577
Movements in provisions (long-term)	15	15
	-11,751	-10,692
Cash generated from operations	**-1,431**	**6,819**
Interest paid *	-519	-532
Income taxes paid	-2,066	-5,918
Net cash from operating activities	**-4,016**	**369**
Cash flow from investing activities		
Additions to intangible fixed assets	-9	-159
Additions to property, plant and equipment	-2,114	-1,434
Divestment of property, plant and equipment	60	10
Net cash used in investing activities	**-2,063**	**-1,583**
Cash flow from financing activities		
Drawings of borrowings (Revolver)	6,000	-
Lease payments	-	-6,006
Settlement of share based payment	-52	-91
Dividends paid	-1,865	-4,663
Net cash used in financing activities	**4,083**	**-10,760**
Net movements in cash and cash equivalents	**-1,996**	**-11,974**
Movements in cash and cash equivalents	-1,996	-11,974
Cash and cash equivalents at beginning of the reporting period	10,889	18,488
Cash and cash equivalents at the end of the reporting period / net	**8,893**	**6,514**

* Interest paid from the start of 2019 includes interest related to lease liabilities (IFRS 16)

The notes on pages 21 through 35 are an integral part of these condensed interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

General information

Ordina N.V. has its registered office in Nieuwegein, the Netherlands. These condensed consolidated interim financial statements for the six months ended 30 June 2019 comprise the financial information of Ordina N.V. and all its subsidiaries ('the group').

Ordina is the largest independent IT services provider in the Benelux, with around 2,650 employees. We focus on giving our clients a digital advantage in the sectors: financial services, industry, public sector and healthcare. We do this by devising, building and managing technological solutions. Ordina helps its clients stay ahead of the challenges and changes in their business.

Ordina was founded in 1973. Its shares have been listed on the NYSE Euronext Amsterdam stock exchange since 1987 and are included in the Small Cap Index (AScX).

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted for use within the European Union. They do not contain all the information that is required for a full set of financial statements, and should therefore be read in conjunction with the Ordina N.V. consolidated financial statements for the full year 2018. The 2018 Annual Report (including the consolidated financial statements for the financial year 2018) is available online at: www.ordina.nl.

The condensed consolidated interim financial statements were prepared by the Management Board and approved for publication by the Supervisory Board on 31 July 2019. These condensed consolidated interim financial statements have not been audited.

Ordina's condensed consolidated interim financial statements have been drawn up in Dutch and in English, with the Dutch text prevailing.

Key financial reporting standards

For an explanation of the accounting policies for the valuation, determination of results and statement of cash flows, we refer you to the consolidated financial statements for the full year 2018. The consolidated financial statements for the full year 2018 were drawn up in accordance with the International Financial Reporting Standards (IFRS), together with the interpretations of same as adopted by the International Accounting Standards Board (IASB), as accepted for use within the European Union.

The accounting standards have been applied consistently by all subsidiaries and across all periods as presented in these condensed consolidated interim financial statements. The same accounting standards have been applied to the interim report, with the exception of the new standards, amendments to standards and interpretations outlined below, which have been included and found relevant for Ordina.

These condensed interim financial statements are presented in euro. Amounts are stated in thousands of euro unless otherwise stated, which may result in rounding off differences.

Standards, amendments and interpretations

Insofar as applicable, the group has applied all published IFRS standards, amendments and interpretations that came into effect on 1 January 2019.

The group applied IFRS 16, 'Leases' for the first time with effect from 1 January 2019.

IFRS 16 Leases

IFRS 16 replaces IAS 17 'Leases'. This standard includes guidelines for the recognition, measurement, presentation and disclosure of lease contracts. On the basis of this standard, when lessees recognise lease contracts there is no longer any distinction between lease contracts that qualify as operational leases and lease contracts that qualify as financial leases. This standard came into force on 1 January 2019.

Ordina decided to apply the modified retrospective approach for its first accounting under IFRS 16, with 1 January 2019 as the initial application date. In this method, the standard is applied retrospectively, with the cumulative effect of the initial application as determined on the transition date accounted for in shareholders equity. There is no adjustment of comparable figures from preceding periods. In the transition period, Ordina has opted to make use of the exception for lease contracts that have a remaining term of less than 12 months on the commencement date, as well as the exception for lease contracts related to underlying assets with a low value.

The impact of the initial application of IFRS 16 can be broken down as follows:

(in thousands of euro's)	01/01/2019
Assets	
Right-of-use assets	34,436
Deferred income tax assets	347
Total non-current assets	**34,783**
Current assets	-
Total current assets	**-**
Total assets	**34,783**
Equity and liabilities	
Retained earnings	-276
Shareholders' equity	**-276**
Lease liabilities	27,133
Total non-current liabilities	**27,133**
Lease liabilities	8,963
Trade payables and other short term liabilities	-1,037
Total current liabilities	**7,926**
Total liabilities	**35,059**
Total equity and liabilities	**34,783**

a) Note on the impact of the initial application of IFRS 16

In the initial application of IFRS 16, Ordina used a uniform method for the recognition and measurement of all leases. This standard includes specific transition requirements and practical exceptions.

Leases previously classified as finance leases

On 1 January 2019, Ordina did not have any finance lease contracts.

Leases previously accounted for as operational leases
On 1 January 2019, Ordina had a large number of operational rental and car lease contracts. As per 1 January 2019, Ordina recognises a right of use and a lease obligation with respect to these leases. The right of use and the lease obligation for most leases was determined on the basis of the present value of the remaining lease payments on 1 January 2019. In a number of cases, the right of use was determined on the basis of the assumption that IFRS 16 has been applied since the start of the lease. This calculation took into account an incremental interest rate on the transition date. The incremental interest rate percentages used as per 1 January 2019 were determined on the basis of the underlying asset and the term of the lease contracts in question and varied between 1.5% and 3.0%.

Ordina also applied the following practical expedients:

- Use of the same interest rate percentage for a portfolio of leases with more or less the same properties;
- Impairment analysis based on the assessment of whether a lease is loss-making immediately prior to the date of the initial application;
- The exclusion of initial direct costs (inasmuch as applicable) when determining the right-of-use assets on the date of initial application;
- The use of current information in the assessment of options regarding extension or early termination.

On the basis of the above-mentioned premises, the impact on Ordina's financial position as per 1 January 2019 is as follows (rounded off to millions of euro):

- The recognition of fixed asset / right-of-use assets of approximately EUR 34.4 million;
- An increase of deferred tax assets of approximately EUR 0.3 million;
- The recognition of lease liabilities of approximately EUR 36.1 million;
- A reduction of other short-term liabilities of approximately EUR 1.0 million, due to the fact that rent-free periods are no longer charged to operational lease costs on a straight line basis during the term of the lease;
- A decrease in shareholders equity (retained profit) of approximately EUR 0.3 million.

The application of IFRS 16 has the following impact on the results for the first half of 2019:

- Recognition of a depreciation charge on right-of-use assets of EUR 5.3 million;
- Recognition of an interest expense with respect to lease liabilities of EUR 0.5 million.

In addition, Ordina recognised operational expenses related to leases with a term of less than 12 months and leases related to underlying assets with low value, in the amount of approximately EUR 0.7 million.

The reconciliation of the operational lease liabilities as per 31 December 2018 and the lease liabilities under IFRS 16 as per 1 January 2019 can be broken down as follows:

(in thousands of euro's)	
Operating lease commitments as at 31 December 2018	52,750
Less: Commitments related to service components	-10,344
Less: Commitments related to contracts not yet started	-5,238
Add: Commitments related to extention periods not yet recognised	2,277
	39,445
Less: Impact discounting commitments as at 1 January 2019	-3,349
Lease liabilities as at 1 January 2019	**36,096**

Weighted average borrowing rate as at 1 January 2019	2.69%

For an overview of the operational lease liabilities as per 31 December 2018, we refer you to the note included in the consolidated financial statements for 2018.

b) Summary of new measurement standards

Below you will find an explanation of the new standards Ordina applied on the date of initial application:

Right-of-use assets
Ordina recognises right-of-use assets at the commencement date of the lease (i.e, the date the underlying asset is available for use). The right-of-use asset is measured at cost price, less cumulative depreciation and impairments and corrected for adjustments as a result of the remeasurement of the lease obligation. The book value of the right of use assets includes the amount of the recognised lease obligation, initial direct costs related to the lease and any lease payments made prior to or the moment when parties enter into the lease contract, less any potential lease incentives. Right-of-use assets are depreciated on a straight line basis during the useful life of the asset or the shorter term of the lease contract, insofar as there is no reasonable certainty that Ordina will be given ownership of the asset at the end of the lease term. The lease contracts that Ordina closes do not include a purchase option that can be exercised with any reasonable degree of certainty. Right-of-use assets are assessed for impairment.

Lease liabilities
At the moment a lease contract is closed, Ordina recognises lease liabilities on the basis of the present value of the future lease payments during the term of the contract. The lease payments include fixed lease payments, incentives to be received, variable lease payments that depend on an index or rate, possible penalties due to early termination and possible repair or guarantee liabilities.

If it is not possible to determine the implicit interest rate, the calculation of the present value is based on an incremental interest rate on the start date of the contract, which is determined on the basis of the underlying asset and the term of the lease contracts in question. After the start of the lease contract, the lease obligation is increased by the amount of interest and reduced by the lease instalments paid. In addition, lease liabilities are adjusted if the contract is modified or the lease conditions or fixed lease payments are amended. Interest related to any increase in the lease liabilities is charged to the result under financing expenses.

Short-term leases and leases of low value assets
Ordina applies the exemption for leases with a term of less than 12 months for its short-term leases for rental cars. These leases have a term of less than 12 months from the start date of the lease and do not include a purchase option. This exemption is also applied to leases of low value assets (less than EUR 5,000). Lease payments related to short-term leases or leases of low value assets are recognised immediately and charged to profit or loss divided evenly over the term of the lease.

Significant judgement in determining the lease term of contracts with renewal options
Ordina sees the non-cancellable lease term as the minimum term of the lease contract in conjunction with any potential option to extend. Ordina has various lease contracts that include an option to extend. Any measurement takes into account an option to extend insofar as it is reasonably certain that Ordina will make use of said option to extend. This assessment takes into account all relevant factors to use any potential extension to realise an economic benefit. Ordina assesses whether it will make use of any options to extend at the commencement date of the lease contract and subsequently when there is a reason for such an assessment. Ordina has taken options to extend into account for several rental contracts. Contract extension is judged to be reasonably certain for these contracts. The duration of options to extend included in rental contracts vary between three (3) and five (5) years. Contracts for lease cars do not take into account any options to extend, as Ordina's policy for car lease contracts is a maximum lease term of four years, regardless of any options to extend.

Critical accounting estimates and assumptions

The preparation of the consolidated interim financial statements requires management to make estimates and assumptions that have an impact on the valuation of assets and liabilities, on the determination of results, as well as on reporting of contingent assets and liabilities. Actual results may differ from these estimates and assumptions.

The assumptions and estimates are based on historical experience and various other factors that can be deemed reasonable under the circumstances. Ordina continually evaluates said assumptions and estimates. For a list of the most critical assumptions and estimates, we refer you to section 5 of the notes to the consolidated financial statements for 2018, as included in the 2018 annual report. There were no significant changes in said assumptions and estimates in the first half of 2019.

Financial risk management

In its 2018 annual report (page 90 and onwards), Ordina described in detail the critical risks identified and its risk management and control systems. Ordina has evaluated the risks identified and determined that the main risks identified remain applicable in the second half of 2019.

Revenue from contracts with clients

The table below specifies the revenue from contracts with clients that Ordina recognises.

H1 2019	the Netherlands	Belgium / Luxembourg	**Total**
(in thousands of euros)			
Type of goods or services			
Sale of hard- and software	104	152	256
IT Services	129,602	56,993	186,595
Total revenue from contracts with customers	**129,706**	**57,145**	**186,851**

H1 2019	the Netherlands	Belgium / Luxembourg	**Total**
(in thousands of euros)			
Timing of revenue recognition			
Goods transferred at a point in time	235	96	331
Services transferred over time	129,471	57,049	186,520
Total revenue from contracts with customers	**129,706**	**57,145**	**186,851**

H1 2018	the Netherlands	Belgium / Luxembourg	**Total**
(in thousands of euros)			
Type of goods or services			
Sale of hard- and software	181	509	690
IT Services	128,125	50,049	178,174
Total revenue from contracts with customers	**128,306**	**50,558**	**178,864**

H1 2018	the Netherlands	Belgium / Luxembourg	**Total**
(in thousands of euros)			
Timing of revenue recognition			
Goods transferred at a point in time	217	443	660
Services transferred over time	128,089	50,115	178,204
Total revenue from contracts with customers	**128,306**	**50,558**	**178,864**

Revenue can be broken down as follows:

	H1 2018[1]	H1 2019
(in thousands of euros)		
Revenue per market		
Public	68,203	70,978
Financial services	49,613	54,360
Industry	49,941	48,939
Healthcare	11,107	12,574
Total revenue from contracts with customers	**178,864**	**186,851**

[1] H1 2018 figures have been adjusted for comparison purposes due to the reclassification of a number of clients.

Segment information

The organisation is structured in line with Ordina's services. The information reported on a monthly basis to the Management Board, in its capacity as chief operating decision maker, is in line with this structure. Ordina's results are divided to reflect the company's various segments. The Management Board's decision-making is based on this information. Ordina discloses segment information on the basis of the structure of the internal governance, reporting lines and decision-making within the company. Ordina recognises the segments the Netherlands and Belgium/Luxembourg.

The Management Board's financial assessment of the segments focuses primarily on revenue and EBITDA. Ordina provides segment information for the segments the Netherlands and Ordina Belgium/Luxembourg. Segment results, assets and liabilities consist of items that are directly or reasonably attributable to the segment in question. The prices and terms of inter-segment transactions are determined on an arm's length, objective basis. Segment-related capital expenditure is the total amount of costs incurred during the reporting period to acquire assets for the segment that are expected to be used for more than one reporting period.

The segment results for the first half of 2019 and the first half of 2018 can be specified as follows:

H1 2019	the Netherlands	Belgium / Luxembourg	**Total**
(in thousands of euros, unless indicated otherwise)			
Total revenue per segment	131,639	58,379	190,018
Inter-segment revenue	-1,933	-1,234	-3,167
Revenue	**129,706**	**57,145**	**186,851**
EBITDA	**8,254**	**8,864**	**17,118**
Amortisation	-705	-	-705
Depreciation of right-of-use assets	-3,688	-1,619	-5,307
Depreciation other	-1,035	-269	-1,304
Operating profit (EBIT)	**2,826**	**6,976**	**9,802**
Finance costs - other	-109	5	-104
Finance costs - lease obligations	-361	-119	-480
Share of profit of associates	-	-	-
Profit before income tax	**2,356**	**6,862**	**9,218**
Income tax expense	-749	-2,511	-3,260
Net profit	**1,607**	**4,351**	**5,958**
EBITDA margin	6.4%	15.5%	9.2%

H1 2018	the Netherlands	Belgium / Luxembourg	**Total**
(in thousands of euros, unless indicated otherwise)			
Total revenue per segment	129,586	51,367	180,953
Inter-segment revenue	-1,280	-809	-2,089
Revenue	**128,306**	**50,558**	**178,864**
EBITDA	**2,973**	**7,188**	**10,161**
Amortisation	-819	-	-819
Depreciation of right-of-use assets	-	-	-
Depreciation other	-883	-250	-1,133
Operating profit (EBIT)	**1,271**	**6,938**	**8,209**
Finance costs - net	-106	5	-101
Share of profit of associates	-	-	-
Profit before income tax	**1,165**	**6,943**	**8,108**
Income tax expense	-417	-2,619	-3,036
Net profit	**748**	**4,324**	**5,072**
EBITDA margin	2.3%	14.2%	5.7%

The assets and liabilities of the segments at mid-2019 and mid-2018 can be specified as follows:

30 June 2019	the Netherlands	Belgium/ Luxembourg	Total	Eliminations	**Consolidated**
(in thousands of euros					
Total assets	256,738	81,199	337,937	-73,246	**264,691**
Total liabilities	102,387	32,761	135,148	-24,808	**110,340**

30 June 2018	the Netherlands	Belgium/ Luxembourg	Total	Eliminations	**Consolidated**
(in thousands of euros					
Total assets	230,552	70,221	300,773	-59,824	**240,949**
Total liabilities	79,521	29,122	108,643	-18,725	**89,918**

The other segment information can be broken down as follows:

30 June 2019	**the Netherlands**	**Belgium/ Luxembourg**	**Total**
(in thousands of euros, unless indicated otherwise)			
Intangible fixed assets	112,646	17,142	**129,788**
Right-of-use assets	25,984	8,049	**34,033**
Property, plant and equipment	3,731	1,248	**4,979**
Financial fixed assets	14,954	185	**15,139**
Investments in intangible fixed assets	123	-	**123**
Investments in right-of-use assets	3,042	1,862	**4,904**
Investments in property, plant and equipment	1,190	232	**1,422**
Amortisation	705	-	**705**
Depreciation of right-of-use assets	3,688	1,619	**5,307**
Depreciation other	1,035	269	**1,304**
Income tax recognised in profit & loss	749	2,511	**3,260**
Income tax paid in reporting period	-	5,918	**5,918**
Number of staff at end of reporting period (FTEs)	1,756	840	**2,596**
Average number of staff (FTEs)	1,762	827	**2,589**

30 June 2018	the Netherlands	Belgium/ Luxembourg	Total
(in thousands of euros, unless indicated otherwise)			
Intangible fixed assets	113,844	17,142	**130,986**
Right-of-use assets	-	-	**-**
Property, plant and equipment	4,416	1,244	**5,660**
Financial fixed assets	18,082	125	**18,207**
Investments in intangible fixed assets	9	-	**9**
Investments in right-of-use assets	-	-	**-**
Investments in property, plant and equipment	1,397	497	**1,894**
Amortisation	819	-	**819**
Depreciation of right-of-use assets	-	-	**-**
Depreciation other	883	250	**1,133**
Income tax recognised in profit & loss	417	2,619	**3,036**
Income tax paid in reporting period	-	2,066	**2,066**
Number of staff at end of reporting period (FTEs)	1,804	750	**2,554**
Average number of staff (FTEs)	1,780	736	**2,516**

Intangible fixed assets

Movements in intangible fixed assets can be specified as follows:

	H1 2018	H1 2019
(in thousands of euro's)		
Carrying amount at 1 January	131,796	130,370
Additions	9	123
Amortisation	-819	-705
Carrying amount at 30 June	**130,986**	**129,788**

As at 30 June 2019, goodwill amounted to EUR 124.5 million (as at 30 June 2018: EUR 124.5 million). Goodwill is monitored at the level of a group of cash-generating units within Ordina. These groups of cash-generating units are the same as the recognised segments. Ordina recognises the segments the Netherlands and Belgium/Luxembourg. Ordina conducts impairment tests on the goodwill at least once a year, on the basis of the relevant (groups of) cash-generating units. Goodwill is monitored at the level of and attributed to the segments the Netherlands and Belgium/Luxembourg.

The table below shows goodwill specified per segment:

	30 June 2019
(in thousands of euro's)	
the Netherlands	107,353
Belgium/Luxembourg	17,142
Carrying amount at 30 June 2019	**124,495**

The annual impairment test is conducted in the fourth quarter of each calendar year. In the first six months of 2019, Ordina assessed whether there were any indications for impairment of goodwill or other fixed assets. In the first half of 2019, there were no indications of an impairment of goodwill or other fixed assets, as a result of which Ordina did not conduct an interim impairment test.

Right-of-use assets

The movements in right-of-use assets can be specified as follows:

	H1 2018	H1 2019
(in thousands of euro's)		
Carrying amount at 1 January / first adoption of IFRS 16	-	34,436
Investments / contract adjustments	-	4,904
Depreciations	-	-5,307
Carrying amount at 30 June	**-**	**34,033**

The right-of-use assets are related to the operational rental and car lease contracts within the Ordina Group. Up to and including 2018, liabilities ensuing from operational lease contracts were reported under off-balance sheet liabilities. Pursuant to the applications of IFRS 16, which is mandatory from 1 January 2019, right-of-use assets and lease liabilities now have to be recognised on the balance sheet. Right-of-use assets are depreciated over the term of the underlying contracts.

Property, plant and equipment

The movements in property, plant and equipment can be specified as follows:

	H1 2018	H1 2019
(in thousands of euro's)		
Carrying amount at 1 January	4,959	4,871
Investments	1,894	1,422
Depreciations	-1,193	-1,314
Carrying amount at 30 June	**5,660**	**4,979**

Of the investments in the first half of 2019, in the amount of EUR 1.4 million, approximately EUR 0.6 million was related to replacement investments for computer equipment and approximately EUR 0.8 million was related to inventory and renovations. The investments of EUR 1.9 million in the first half of 2018 were largely related to replacement investments for computer equipment.

Trade receivables and other short-term assets

Trade receivables and other short-term assets can be specified as follows:

(in thousands of euro's)	H1 2018	H1 2019
Trade receivables	41,587	39,538
Unbilled receivables	19,735	21,659
Contract assets	8,505	7,361
Other receivables	330	319
Prepayments and accrued income	6,450	5,361
Carrying amount at 30 June	**76,607**	**74,238**

Outstanding shares

The movements in paid-up and called-up share capital can be specified as follows:

(in thousands)	H1 2018	H1 2019
At 1 January	93,256	93,256
Issue related to share-based payment	-	-
At 30 June	**93,256**	**93,256**

As per 30 June 2019, Ordina had one (1) paid-up priority share and 93,255,929 ordinary shares (year-end 2018: one (1) priority share and 92,255,929 ordinary shares). Ordina did not issue any shares in the first half of 2019 (first half of 2018: zero).

For the settlement of the variable long-term bonuses for the period 2016-2018, which took place in the first half of 2019, Ordina purchased a total of 55,432 of its own shares and then immediately disbursed said shares. Ordina acquired these shares at an average price of EUR 1.649 per share. At both end-June 2019 and end-June 2018, Ordina did not hold any treasury shares.

Net cash position

At 30 June 2019, Ordina's net cash position stood at EUR 6.5 million (end-June 2018: EUR 2.9 million). The net cash position can be specified as follows:

(in thousands of euro's)	30 June 2018	30 June 2019
Cash and cash equivalents	9,474	6,514
Bank credit	-581	-
Total cash and cash equivalents	8,893	6,514
Bank Credit / Revolver	-6,000	-
Net cash position	**2,893**	**6,514**

Financing facility

In May 2015, Ordina agreed a financing facility with ABN Amro Bank and ING. This financing facility is for an amount of EUR 30 million, is fully committed and comprises a revolving facility of EUR 20.0 million and a current account credit facility of EUR 10.0 million. The financing agreement has a maximum term of five (5) years, with an initial term of three (3) years and an option to extend twice by one (1) year. Following two extensions, the term of the current financing agreement ends in May 2020.

As per 30 June 2019, Ordina had not taken up any amounts under the revolving facility (as per 30 June 2018: EUR 6.0 million).

The key elements with respect to the covenants included in the financing facility consist of a maximum leverage ratio (determined on the basis of the total net debt / adjusted EBITDA ratio) and an Interest Cover Ratio (determined on the basis of (adjusted) EBITDA / total interest ratio, as defined in the financing agreement). The leverage ratio has been set at a maximum of 2.5, and 2.0 for the final two quarters of the (possibly extended) term. The Interest Cover Ratio has been set at a minimum of 5.0. The covenants are based on the consolidated (interim) financial statements as drawn up in accordance with IFRS. The adjustment of the EBITDA for one-off expenses and reorganisation costs has been set at a maximum of EUR 3.0 million per year.

The interest rate in the financing facility is set on the basis of the prevailing base rate (EURIBOR) plus a surcharge of 1.0%. The base rate depends on the interest period to be determined by Ordina, which can in principle vary from one to six months.

The table below outlines the applicable covenants and Ordina's compliance with same at end-June 2019 and at end-June 2018:

	Realisation H1 2018	Realisation H1 2019	Finance-agreement
Leverage ratio	-0.1	-0.3	<=2,5
Interest Cover Ratio	101.8	125.5	>=5,0
Guarantor Cover Ratio	94%	91%	>=80%
Security Cover Ratio	87%	75%	>=70%

In July 2019, Ordina and its banks agreed to an extension of the current financing agreement, with a reduction of the margin to 0.70% and the easing of a number of conditions. The level of the maximum leverage ratio has been left unchanged (<=2.5), with no reduction of the maximum leverage ratio in the final two quarters of the term. The adjustment of the EBITDA for one-off and reorganisation costs has been increased to a maximum of 1% of revenue per year from the previous maximum of EUR 3.0 million per year. The interest cover ratio remains unchanged. The extended financing agreement has a term of five (5) years, with an initial term of three (3) years and an option to extend twice by one (1) year.

Lease liabilities

Lease liabilities can be specified as follows:

(in thousands of euro's)	H1 2018	H1 2019
Carrying amount at 1 January / first adoption of IFRS 16	-	36,096
Investments / contract adjustments	-	4,904
Interest	-	480
Lease payments	-	-6,486
Carrying amount at 30 June	**-**	**34,994**
Lease liabilities - non current	-	26,162
Lease liabilities - current	-	8,832
Carrying amount at 30 June	**-**	**34,994**

The lease liabilities are related to the operational rental and car lease contracts within the Ordina Group. Up to and including 2018, liabilities ensuing from operational lease contracts were reported under off-balance sheet liabilities. Pursuant to the applications of IFRS 16, which is mandatory from 1 January 2019, right-of-use assets and lease liabilities now have to be recognised on the balance sheet. The lease liabilities are increased by the interest component and reduced by the lease payments made over the term of the underlying contracts.

Trade payables and other short-term liabilities

Trade payables and other short-term liabilities can be specified as follows:

(in thousands of euro's)	H1 2018	H1 2019
Trade payables	22,336	21,660
Contract liabilities	5,598	5,233
Taxes and social security contributions	20,299	19,421
Pension contributions	2,493	71
Other payables	118.0	132
Accruals and deferred income	26,142	26,198
Carrying amount at 30 June	**76,986**	**72,715**

Earnings per share

Earnings per share are calculated by dividing the profit after taxes by the average number of outstanding shares during the period under review. The diluted earnings per share are calculated by dividing the profit after taxes by the average number of outstanding shares during the period under review, including all shares granted conditionally in connection with the share-based bonuses. The earnings per share were calculated on the basis of the following information:

	H1 2018	H1 2019
(in thousands of euros, unless indicated otherwise)		
Profit for the period	5,072	5,958
Average number of outstanding shares (in thousands)	93,256	93,256
Adjustment for share-based payment obligations (in thousands)	572	1,572
Average number of outstanding shares diluted (in thousands)	93,828	94,828

Taxes

Current taxes for the half-year period under review have been calculated on the basis of the estimated effective annual tax rate applied to pre-tax profit. The corporate income tax in the first six months can be specified as follows:

	H1 2018	H1 2019
(in thousands of euro's)		
Current income tax	2,619	2,511
Deferred income tax	417	749
Total	**3,036**	**3,260**

The effective tax rate for the first six months of 2019 was 35.4% (51.9% for the full-year 2018, and 37.4% for the first half of 2018). The discrepancy between the nominal tax rate of 25.0% and the effective tax rate is largely due to the composition of the taxable amounts across the various countries, in combination with tax rate differences abroad, as well as the impact of non-deductible amounts. The effective tax rate for the first half of 2019 is in line with the effective tax rate for the first half of 2018. The effective tax rate for the full year 2018 was heavily influenced by the reduction of the corporate income tax rates in the Netherlands, as these have been determined for the years 2020 and 2021 and subsequent years.

With effect from 2020, the nominal corporate income tax rate in the Netherlands will be reduced to 22.55%. With effect from 2021, this will be followed by an additional reduction to 20.5%. As a result of these future tax rate cuts, at year-end 2018 Ordina depreciated its deferred tax assets by more than EUR 2.2 million.

Deferred taxes are measured on the basis of the expected manner of settlement or realisation. The deferred tax assets pertain to the valued rights to loss carry-forwards, as well as temporary value differences related to plant, property and equipment. Of the total asset of EUR 14.8 million based on deferred taxes at end-June 2019, EUR 8.7 million was related to the valuation of rights to loss carry-forwards.

Share-based remuneration

The members of the Management Board and the Executive Committee/management have been awarded a performance-related long-term remuneration that comprises a payment in shares. This performance-related long-term remuneration is explained in detail in the 2018 annual report. In the context of this scheme, as per 30 June 2019 the company has conditionally awarded Ordina N.V. shares to the members of the Management Board (a total of approx. 0.6 million shares) and to the members of the Executive Committee/management (a total of approx. 1.0 million shares).

In connection with the performance-related long-term remuneration of the members of the Management Board and of the Executive Committee/management, Ordina recognised an expense of approximately EUR 0.4 million under personnel costs in the first half of 2019 (first half 2018: approx. EUR 0.2 million). Approximately EUR 0.2 million of this expense was related to the Management Board (first half 2018: approx. EUR 0.1 million) and approximately EUR 0.2 million was related to the members of the Executive Committee/management (first half 2018: approx. EUR 0.1 million).

Related parties

The remuneration of the members of the Management Board is determined annually by the Supervisory Board. For an explanation of the remuneration policy pertaining to the members of the Management Board, we refer you to the Report of the Supervisory Board as included in the 2018 annual report. The total remuneration for the Management Board amounted to EUR 663,000 in the first half of 2019 (first half 2018: EUR 633,000).

The total remuneration for the members of the Supervisory Board amounted to EUR 114,000 in the first half of 2019 (first half 2018: EUR 125,000).

Seasonal influences

Ordina's revenue and profit are subject to a limited degree of seasonal influences. The seasonal influences pertain primarily to the lower number of working days in the second half of the year when compared with the first half of the year. This means that Ordina's revenues are generally higher in the first half than in the second half of the year. The movements in working capital are partly influenced by the settlement of liabilities related to items such as holiday pay, bonus payments and dividend payments in the first half of the year.

Off-balance sheet liabilities

As a result of the application of IFRS 16 'Leases', the scope of off-balance sheet liabilities as per 30 June 2019 differ from those reported in note 30 to the consolidated financial statements for the 2018 financial year. Following the application of IFRS, off-balance sheet liabilities now pertain solely to contractual liabilities related to the service component of property leases and lease cars.

Estimating fair value

On the basis of IFRS 13 'Fair value measurement', the interim financial statements are supposed to include disclosures on how fair value is measured. The book value of the cash and cash equivalents, payables and other debts are close to their fair value due to the short-term nature of these instruments. Trade receivables are also close to their fair value, as any potential downward valuation has already been taken into account via a provision for bad debts.

Post-balance sheet date events

There have been no events since 30 June 2019 that might have a material impact on or that might require adjustments to the balance sheet positions as at 30 June 2019, as presented in these condensed interim financial statements.