Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

Press release

18 August 2021

Stern posts much higher result in first six months

Stern Groep N.V., listed Dutch mobility group in automotive retail and services, announces its results for the first half of 2021.

Highlights

- Net revenue in H1-2021 up 10.0% on H1-2020
- Operating profit in H1-2021 came to € 7.4 million (H1-2020: € 4.0 million, excluding the writedown of goodwill for Dealergroup Stern in 2020)
- Other operating income in H1-2021 fell sharply as a result of the € 3.2 million lower net gain on the interest in Bovemij
- Use of NOW-scheme in H1-2021 € 1,5 miljoen lower than H1-2020, but is nevertheless material due to loss of revenue at some operating companies as a result of COVID-19
- The solvency ratio at 30 June 2021 stood at 32.3% (year-end 2020: 28.9%). Excess solvency rose further to € 44.8 million
- Net asset value per share at 30 June 2021 was € 23.01 (year-end 2020: € 22.09)
- The number of new passenger cars registered in the Netherlands of 163,000 units in H1-2021 was 3.2% higher than in H1-2020. The number of new light commercial vehicles registered in the Netherlands of 39,000 units in H1-2021 was 29.6% higher than in H1-2020
- Stern's market share in passenger cars of 4.1% was slightly lower in H1-2021 (H1-2020: 4.4%). Its market share in light commercial vehicles was also slightly lower, at 6.2% (H1-2020: 6.4%)
- The group has ample liquidity, with only limited use of the available finance facility at the credit institutions (€ 54 million) at the end of June
- We are not able to make a reliable estimate of the results in H2-2021 due to uncertainty as to the further consequences of COVID-19 and continuing production problems at the car manufacturers. Nonetheless, we expect to see a further improvement in our results in H2-2021

Henk van der Kwast, Chief Executive Officer:

"We are not displeased with the profit realised in the first half of 2021. Demand for cars is rising, but sales are under pressure due to the limited availability of cars. As a result, margins are higher than usual. The industry is going through a fundamental transition that requires significant investment and adaptation. The decline in the number of official brand dealerships in the Netherlands will accelerate in the coming years, as customer contact largely shifts to the digital domain. Car buyers and owners simply have less interest and less reason to physically visit a dealership. The car manufacturers and importers are also moving towards fewer branches and more digital solutions. The parties that respond quickest and most effectively to this fundamental change in our industry will have an opportunity to continue to play a meaningful role for their customers. This is the reason why over the past three years, we have invested heavily in a new digital platform, we have worked on adapting our organisation to become a modern automotive services provider and optimised our primary business processes. At the same time, we have strengthened our financial solidity and significantly increased our cash position. These are the factors that will determine the successful transition of Stern into a modern and effective automotive services provider."

mobility
matters

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

State of affairs in H1-2021

Stern's net revenue came to € 419.5 million, a marked increase of 10.0% compared to H1-2020. Most of the increase in revenue came from higher sales of used passenger cars and new light commercial vehicles.
The **percentage gross margin** in H1-2021 came to 17.7%, compared to 18.0% in H1-2020. This modest decline is due to higher car sales, which generate a lower margin than after-sales revenue. The gross revenue result was up € 5.6 million (8.1%), due to a combination of higher revenue and this lower relative margin.
Other operating expenses were much lower than in H1-2020, mainly due to the € 3.2 million lower net gain (based on revaluation and dividend) on the interest in Bovemij.
Employee expenses were 2.0% lower than in H1-2020. Several operating companies made use of the Temporary Emergency Bridging Measure to Preserve Employment (the NOW scheme) in H1-2021. This contribution has been deducted from the employee expenses. The NOW scheme was also used last year in H1-2020, when the income from this scheme was € 1.5 million higher than in this year.
The decline in employee expenses (despite the lower income from NOW) was due to the reduction of the number of FTE by 195 (11.3%) in organic terms compared to the start of 2020. The organic decline in the number of FTEs in H1-2021 amounted to 59, a decrease of 3.7% compared to year-end 2020.
Operating expenses (excluding the impairment of goodwill in 2020) were 3.3% lower than in H1-2020, due to the cost-saving programmes continued in 2020 and 2021 and the closure of more branches of Dealergroup Stern and SternPoint. **Interest expense** was considerably lower, partly due to less use of working capital.
Operating profit was thus € 7.4 million, compared to € 4.0 million in H1-2020.

Highlights Dealergroup Stern

A total of 163,000 new passenger cars were registered in the Netherlands in H1-2021, 3.2% more than in H1-2020. The number of new light commercial vehicles registered of 39,000 was also higher than in H1-2020 (+29.6%).
Dealergroup Stern's national market share for passenger cars in H1-2021 came to 4.1% (H1-2020: 4.4%). The market share in light commercial vehicles was 6.2% (H1-2020: 6.4%). This modest decline in market share was due to the closure of three branches in H2-2020.
Revenue at Dealergroup Stern increased markedly on balance to € 52.9 million (14.2%) to € 424.3 million. The increase was mainly due to the increase in sales of new light commercial vehicles and used passenger cars, as well as a higher average sale price for new passenger cars. The relative and absolute margins on sales of used passenger cars showed a marked increase, mainly due to high demand for nearly-new used cars and the limited availability of these cars.
Delivery of some new cars has become problematic due to the limited availability of computer chips, as delivery times for some models have already increased to more than six months. Dealergroup Stern's back order position at 30 June 2021 was therefore much higher than at the end of June 2020.
The number of mechanics was reduced, as a result of the closure of a further three branches in H2-2020 and less demand for maintenance as distances travelled by car have declined. The average number of mechanics has declined by 9.4% compared to H1-2020. Revenue per mechanic has however increased markedly, due to higher hourly rates and improved efficiency.

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

There was an organic decline in **employee expenses** of 4.3%, due to the organic reduction of FTEs and the reduced number of branches. Several operating companies made use of the NOW scheme in both H1-2021 and H1-2020, and this contribution has been recognised as a deduction from the employee expenses item. The income from the NOW scheme was lower in H1-2021 (at € 0.9 million) than in H1-2020.
Operating expenses were lower in organic terms, mostly due to the cost saving programmes continued in 2020 and 2021. Dealergroup Stern accordingly realised an **operating profit** (EBIT) of € 9.7 million in H1-2021 (H1-2020: € 2.6 million, before the writedown of the goodwill for Dealergroup Stern in 2020), which is 2.5% of the revenue in H1-2021.
The **balance sheet total** of Dealergroup Stern at 30 June 2021 stood at € 275.4 million (Including IFRS 16), down 9.3% on year-end 2020 and 12.7% lower than at 30 June 2020. The main reason for the lower balance sheet total is the much lower inventory of new and used cars, the write-off of goodwill (€ 20.0 million) and more efficient management of working capital.

Highlights Stern Mobility Services

In order to continue to improve operational synergy and offer new service concepts, we have decided to merge the segments of Stern Mobility Solutions (car rental) and Stern Car Services (car body repairs and light commercial vehicle interiors) into a new segment named Stern Mobility Services.

Demand for **rental cars** fell sharply as a result of the additional measures introduced by the government with effect from mid-December 2020, and did not recover until May 2021 once these measures were eased. At year-end 2020, the fleet consisted of 1,968 vehicles. After a further modest decline in early 2021, the fleet has increased again after the easing of the measures to 2,292 vehicles at the end of June 2021. There was a further increase in July, to around 2,400 vehicles at the end of July 2021.

The **car body repair shops** have seen a significant decline in demand for car body repairs since mid-December 2020, after the announcement of the lockdown. Partly as a result of the government measures, the distance travelled by car in the Netherlands has declined, leading to fewer accidents.

In January 2021, the operations of the car body repairs branch at Purmerend were merged with the existing operations in Wormerveer, and the Purmerend branch was subsequently closed. In mid-July 2021, the operations of the car body repairs branch at Harderwijk were merged with the existing operations in Lelystad, and the Harderwijk branch was subsequently closed. A certain minimum level of revenue per location is a critical requirement for profitable operation of a car body repair business. Certain other branches will be assessed in the coming period to establish whether the merger of other operations would be beneficial.
Revenue at SternPoint was down 14.7% compared to H1-2020.

The **operating result** (EBIT) of Stern Mobility Services came to € 0.2 million negative (H1-2020: € 1.1 million negative). The **balance sheet total** at 30 June 2021 was € 55.5 million (year-end 2020: € 50.8 million).

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

Highlights Other

The operating result of the Other segment was € 1.7 million negative in H1-2021 compared to € 2.4 million positive in H1-2020. This includes holding costs not recharged, which were lower than in H1-2020 due to the reduction in the number of FTEs.
Most of the lower operating result was due to the € 3.2 million lower income from the interest in Bovemij.
A non-recurring expense of € 0.5 million was also recognised in H1-2021 in connection with the redundancy of a number of employees.

Statement of financial position and solvency

The balance sheet total at the end of June 2021 stood at € 404.6 million, a decline of € 28.8 million compared to year-end 2020. The main changes concerned:

- A decrease of € 42.6 million due to lower inventory
- An increase of € 11.8 million due to higher trade receivables

Group equity increased by € 5.1 million compared to year-end 2020 to € 130.6 million at the end of June 2021, mainly due to recognition of the profit in H1-2021. The solvency ratio of Stern Group at the end of June 2021 stood at 32.2% (year-end 2020: 28.9%). Stern comfortably met the ratios agreed with the banks at the end of June 2021. At year-end 2020, its excess solvency stood at more than € 29.5 million, and this has subsequently risen to € 44.8 million on 30 June 2021.

Stern has a **financing facility** of € 54 million with its credit institutions. At 30 June 2021, only limited use (€ 17 million) was made of the existing credit lines after substantial repayments of captive finance.
Our management of working capital has now led to markedly less use of working capital, but this is still a priority. No use has been made of the option to defer tax payments, and taxes have been paid within the normal allotted terms.
The existing financing facility runs until the end of May 2022, and is therefore recognised in the statement of financial position on 30 June 2021 under current liabilities. We are in discussions with the banks regarding an extension of this facility for one year (until the end of May 2023). We expect this extension to be in place before publication of our figures for Q3-2021.

Outlook

The rest of this year will feature Focus on Service & Brand Value, with a continuation of our already initiated focus on strong car brands, first-class used-cars, our own brand and a strong financial position. Our decisions will continue to be driven by the delivery of added value.

We expect to see further recovery in our sales markets in the coming months, however the negative effects of COVID-19 on our revenue and operating profit will continue for some time to come. Furthermore, our now much larger order book will probably not lead to a significant increase in sales of new vehicles in the coming months, due to strong signals from the car manufacturers that availability of certain parts (computer chips) is still problematic. This means that margins on new and used cars will continue to be relatively high due to the increasing scarcity of cars. This expected improvement in margins, the increasing demand for maintenance and car body repairs and the effects of previously initiated cost savings will not be enough to fully compensate for the effects of less availability of (new) vehicles. Nonetheless, we expect to see a further improvement in our profit in H2-2021.

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

KEY DATES

Publication third quarter results 2021	11 November 2021 before market opening
Publication of annual figures 2021	10 March 2022 before market opening
General Meeting	12 May 2022

Note to editorial staff, not for publication: For further information, please contact H.H. van der Kwast (Stern Group), T +31(0)20 613 60 28

About Stern
Stern is a large Dutch automotive retailer that has been listed on Euronext Amsterdam since 2000. Stern offers a wide variety of leading car brands and additional mobility services. Dealergroup Stern represents several leading brands such as Mercedes-Benz, Renault, Nissan, Ford, Volvo, Land Rover, Kia and Opel. Stern also offers additional services such as leasing, rental, insurance, finance, extended warranty, (brand-certified) car body repairs and light commercial vehicle interiors. The Stern network consists of 64 branches with approximately 1,500 employees (FTEs) in the car-intensive regions of the Netherlands.

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

Attachment: Financial report for the period 1 January 2021 to 30 June 2021

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

1. Consolidated statement of income for the period 1 January 2021 to 30 June 2021

(amounts x € 1,000)

	H1-2021	H1-2020
Net revenue	**419,473**	381,991
Cost of sales	**(345,201)**	(313,178)
Gross profit	**74,272**	68,813
Other income	**2,049**	5,882
Employee expenses	**(43,904)**	(44,802)
Impairment of goodwill	**-**	(20,023)
Amortisation of intangible assets	**(21)**	(37)
Depreciation of property, plant and equipment	**(3,213)**	(3,620)
Depreciation of leased assets	**(7,176)**	(8,330)
Other operating expenses	**(14,559)**	(13,910)
Operating profit (EBIT)	**7,448**	(16,027)
Result from associates	**-**	6
Financial income and expenses	**(2,321)**	(2,934)
Profit/(loss) before tax	**5,127**	(18,955)
Income taxes	**-**	(102)
Profit/(loss) after tax (attributable to shareholders)	**5,127**	**(19,057)**
Earnings per share		
Weighted average number of outstanding shares	**5,675,000**	5,675,000
Earnings per share	**€ 0.90**	(€ 3.36)

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

2. Consolidated statement of comprehensive income for the period 1 January 2021 to 30 June 2021

(amounts x € 1,000)

	H1-2021	H1-2020
Profit/(loss) after tax (attributable to shareholders)	**5,127**	(19,057)
Other comprehensive income		
Other comprehensive income to be transferred to the statement of income in following periods:		
Effective portion of changes to the cash flow hedge	**119**	39
Income taxes	**(30)**	(10)
Income and expenses not recognised in the statement of income	**89**	29
Total comprehensive income after tax (attributable to shareholders)	**5,216**	(19,028)

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

3. Consolidated statement of financial position at 30 June 2021

(amounts x € 1,000)

	30 June 2021	31 December 2020
ASSETS		
Non-current assets		
Intangible assets	**2,294**	2,314
Property, plant and equipment	**107,119**	103,848
Lease assets	**94,341**	94,645
Other financial assets	**19,601**	18,779
Deferred tax assets	**8,223**	8,253
	231,578	227,839
Current assets		
Inventory	**138,584**	181,187
Trade receivables	**22,754**	10,921
Tax and social security contributions	**-**	325
Other accounts receivable, accrued income and prepaid expenses	**10,986**	12,848
Cash and cash equivalents	**743**	283
	173,067	205,564
Total assets	**404,645**	433,403

mobility matters

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

	30 June 2021	31 December 2020
LIABILITIES		
Equity (attributable to the shareholders of Stern Groep N.V.)		
Issued capital	**593**	593
Reserves	**130,010**	124,794
	130,603	125,387
Non-current liabilities		
Interest-bearing loans	**8,606**	27,934
Lease commitments	**84,209**	84,419
Provisions	**1,176**	1,179
	93,991	113,532
Current liabilities		
Interest-bearing loans	**84,958**	76,527
Lease commitments	**16,803**	16,852
Provisions	**398**	411
Trade payables	**45,287**	71,487
Derivatives	**98**	217
Tax and social security contributions	**10,936**	2,160
Repurchase obligations	**10,197**	11,032
Other payables, accrued liabilities and deferred income	**11,374**	15,798
	180,051	194,484
Total liabilities	**404,645**	433,403

mobility
matters

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

4. Condensed statement of changes in equity in the period 1 January 2021 to 30 June 2021

(amounts x € 1,000)

Period 1 January 2021 to 30 June 2021

	Issued capital	Share premium reserve	Miscellaneous reserves	Revaluation reserve	Unallocated result	Total
Balance at 1 January 2021	593	114,734	31,710	9,968	(31,618)	125,387
Result after tax	–	–	–	901	4,226	5,127
Other comprehensive income after tax	–	–	–	89	–	89
Total comprehensive income	–	–	–	990	4,226	5,216
Result appropriation	–	–	(31,618)	–	31,618	–
Cash dividend	–	–	–	–	–	–
Balance at 30 June 2021	**593**	**114,734**	**92**	**10,958**	**4,226**	**130,603**

Period 1 January 2020 to 30 June 2020

	Issued capital	Share premium reserve	Miscellaneous reserves	Revaluation reserve	Unallocated result	Total
Balance at 1 January 2020	593	114,734	10,436	5,602	21,274	152,639
Result after tax	–	–	–	4,249	(23,306)	(19,057)
Other comprehensive income after tax	–	–	–	29	–	29
Total comprehensive income	–	–	–	4,278	(23,306)	(19,028)
Result appropriation	–	–	21,274	–	(21,274)	–
Cash dividend	–	–	–	–	–	–
Balance at 30 June 2020	**593**	**114,734**	**31,710**	**9,880**	**(23,306)**	**133,611**

mobility matters

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

5. Condensed consolidated statement of cash flow for the period 1 January 2021 to 30 June 2021

(amounts x € 1,000)

	H1-2021		H1-2020	
Profit/(loss) before tax	**5,127**		(18,955)	
Adjustments for:				
Result from associates	**-**		(6)	
Net interest expense	**(120)**		(143)	
Impairment of goodwill	**-**		20,023	
Amortisation of intangible assets	**22**		37	
Depreciation of property, plant and equipment	**6,811**		7,344	
Depreciation of lease assets	**7,176**		8,330	
Contribution to/(withdrawal from) allowances	**(17)**		(2,147)	
Other changes	**9,263**		31,578	
Cash flow from operating activities		**28,262**		46,061
Received from sale of business divisions	**-**		7,782	
Net investment in property, plant and equipment	**(9,774)**		5,755	
Cash flow from investment activities		**(9,774)**		13,537
Change in interest-bearing loans	**(10,897)**		(39,982)	
Repayment of lease commitments	**(7,131)**		(7,819)	
Cash flow from financing activities		**(18,028)**		(47,801)
Movement in cash		**460**		11,797
Balance of cash and cash equivalents at opening date	**283**		683	
Balance of cash and cash equivalents at closing date	**743**		12,480	
Movement in cash		**460**		11,797

mobility matters

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

6. Notes to the financial report for the period 1 January 2021 to 30 June 2021

General

Stern Groep N.V. has its registered office at Amsterdam, the Netherlands. This interim financial report is prepared in accordance with IAS 34 Interim financial reporting as adopted in the European Union. This report does not contain all the information required for full financial statements and should be read in combination with the consolidated 2020 financial statements. The accounting policies applied by Stern Groep N.V. in this financial report are the same as those applied in the consolidated financial statements for 2020, with the exception of changes to IFRS that took effect on 1 January 2021. The 2020 financial statements of Stern Groep N.V. are available at www.sterngroep.nl.

This financial report is prepared by the Management Board on 18 August 2021. The figures in this report have not been audited. All amounts are expressed in thousands of euros.

Future changes to IFRS

No new standards had been issued at the date of publication of this financial report by Stern Groep N.V. that will materially affect the profit and capital of Stern Groep N.V.

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

Segmental analysis
The segmentation of revenue and operating profit is shown in the table below. In this semi-annual report, SternPoint B.V. (Car Body Repairs) and SternRent B.V. (Car Rental) have been merged into a new segment *Stern Mobility Services*. Up to and including the 2020 financial statements, SternPoint B.V. was recognised in the segment Stern Car Services and SternRent B.V. in the segment Stern Mobility Solutions. These changes bring the segment reporting more into line with the changed organisational structure in 2021 and internal reporting lines at Stern Groep N.V. The comparative figures have been adjusted.

The reporting segments are Dealergroup Stern, Stern Mobility Services (SternRent B.V. and SternPoint B.V.) and Other. For an explanation of the segmental analysis, see note 2 Segmental Analysis in the 2020 consolidated financial statements.

	Revenue		Operating profit	
	H1-2021	**H1-2020**	**H1-2021**	**H1-2020**
Dealergroup Stern	**424,283**	371,370	**9,394**	(17,379)
Stern Mobility Services	**33,124**	44,788	**(201)**	(1,091)
Other	**-**	-	**(1,745)**	2,443
Revenue to segments	**(37,934)**	(34,167)		
Total	**419,473**	381,991	**7,448**	(16,027)
Result from associates			**-**	6
Financial income and expenses			**(2,321)**	(2,934)
Profit/(loss) before tax			**5,127**	(18,955)
Income taxes			**-**	(102)
Profit after tax (attributable to shareholders)			**5,127**	(19,057)

mobility matters

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

The segmentation of the EBITDA* is shown in the table below:

	EBITDA	
	H1-2021	**H1-2020**
Dealergroup Stern	**17,978**	12,319
Stern Mobility Services	**4,047**	3,405
Other	**(312)**	4,378
Total	**21,713**	20,102

** EBITDA stands for earnings before interest, tax and depreciation (of property, plant, equipment and lease assets) and amortisation (of intangible assets).*

The segmentation of the assets and liabilities is shown in the table below:

	Assets		Liabilities	
	30 June 2021	31 December 2020	**30 June 2021**	31 December 2020
Dealergroup Stern	**275,396**	303,528	**216,085**	248,485
Stern Mobility Services	**55,543**	50,764	**42,000**	37,032
Other	**73,706**	79,111	**15,957**	22,499
Total	**404,645**	433,403	**274,042**	308,016

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

Goodwill
The goodwill consists of goodwill acquired through business combinations. For the purpose of the test for impairment, goodwill acquired due to business combinations is allocated to the individual cash-generating unit SternRent B.V., which is included in the segment Stern Mobility Services.

The impairment test as at 31 December 2020 showed that even material changes to the principles applied would not lead to an impairment of goodwill. Further analysis of the goodwill in H1-2021 did not lead to any adjustment to the valuation.

COVID-19

Going concern assumption
COVID-19 continued to have a marked effect on macroeconomic conditions and the earning capacity of Stern. The measures taken by the management and the support from the government are expected to be sufficient to compensate for the pressure on gross profit in 2021, meaning that liquidity will continue to be at least adequate and the bank ratios can continue to be met. These semi-annual figures are therefore prepared on the basis of the going concern assumption.

NOW compensation for salary costs
The Stern Group made use of the NOW scheme in H1-2020 (NOW 1), and some of its operating companies made use of this scheme in H1-2021 (NOW 3.2 and 3.3). The NOW compensation for salary costs is in all cases deducted from the employee expenses. The compensation in H1-2021 was around € 1.5 million less than in H1-2020. The NOW compensation recognised is an estimate of the final settlement. The actual settlement still has to be established after the audit of the NOW tranches claimed is completed. Use of the NOW scheme in 2021 means that no dividend will be distributed and no management bonuses will be awarded over this financial year.

Related party disclosures
No material transactions took place with related parties in H1-2021. All transactions between Stern Groep N.V. and related parties are effected on the basis of market prices.

Judgements and estimates by the management
Preparation of the interim financial information requires that the Management Board forms opinions and makes estimates and assumptions that affect the application of the accounting policies and the reported values of assets and liabilities, and the amounts of income and expenses. Actual results could differ from these estimates. Interim results are not necessarily an indication of the results in the rest of the year.

In the preparation of this financial report, the usual judgements formed by the Management Board in the application of the accounting policies of Stern Groep N.V. and the sources of estimates used are the same as those used in the preparation of the consolidated financial statements for 2020. We also refer to note 32 in the 2020 financial statements of Stern Groep N.V., which relates to financial risk management at Stern Groep N.V. No significant changes occurred in the first half of 2021.

Stern Groep N.V.
Pieter Braaijweg 6
Amsterdam - Duivendrecht

Postbus 94949
1090 GX Amsterdam
www.stern.nl

Statement by the Management Board
Pursuant to statutory provisions, the Management Board states that as far as it is aware:

1. The financial report is prepared on the basis of IAS 34 and gives a true and fair representation of the assets, liabilities, financial position and result for the period 1 January 2021 to 30 June 2021 of Stern Groep N.V. and the companies included in the consolidation;
2. The financial report presents a true and fair picture of important events occurring in the period 1 January 2021 to 30 June 2021 and the effects thereof on the financial report, together with a description of the principal risks and uncertainties facing Stern Group and major transactions with related parties.